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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Joint Application by Zenith Energy U.S., L.P., Zenith Energy Terminals Holdings LLC, Plains All American Pipeline, L.P., and Plains Marketing, L.P. for Approval of Indirect Transfer of Control of Plains West Coast Terminals LLC Pursuant to California Public Utilities Code Section 854(a).	Application ____

JOINT APPLICATION FOR APPROVAL OF INDIRECT TRANSFER OF CONTROL OF PLAINS WEST COAST TERMINALS LLC

(PUBLIC VERSION)

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January 30, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Joint Application by Zenith Energy U.S., L.P., Zenith Energy Terminals Holdings LLC, Plains All American Pipeline, L.P., and Plains Marketing, L.P. for Approval of Indirect Transfer of Control of Plains West Coast Terminals LLC Pursuant to California Public Utilities Code Section 854(a).	Application _____

JOINT APPLICATION FOR APPROVAL OF INDIRECT TRANSFER OF CONTROL OF PLAINS WEST COAST TERMINALS LLC

(PUBLIC VERSION)

Pursuant to Section 854(a) of the California Public Utilities Code and Article 2 and Rule 3.6 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure ("Rules"), Zenith Energy U.S., L.P. ("Zenith"), Zenith Energy Terminals Holdings LLC ("Zenith Holdings," and with Zenith, the "Buyers"), Plains All American Pipeline, L.P. ("Plains"), Plains Marketing, L.P. ("Plains Marketing," and with Plains, the "Sellers") (collectively, "Joint Applicants") submit this Joint Application in support of their request that the Commission grant such authority as necessary or required to enable Joint Applicants to consummate a transaction whereby buyer Zenith Holdings will acquire the issued and outstanding membership interests in Plains West Coast Terminals LLC (the "Terminal") from Plains Marketing (the "Proposed Transaction").

Concurrently, pursuant to California Public Utilities Code Section 583, California Public Utilities Commission General Order 66-C, and Rule 11.4 of the Rules of Practice and Procedure of the Commission, Joint Applicants have filed a Motion to File Confidential Material Under Seal to request that sensitive information in the Membership Interest Purchase Agreement be filed under seal and accorded confidential treatment.

I. INTRODUCTION

On January 10, 2020, Zenith Holdings, Plains, and Plains Marketing executed a Membership Interest Purchase Agreement pursuant to which Zenith Holdings would acquire Plains Marketing's issued and outstanding membership interests in the Terminal.

Diagrams of the pre- and post-Proposed Transaction corporate structures of the Buyers are attached hereto as Exhibit A; detailed descriptions of the Proposed Transaction and parties involved are set forth in Sections III-IV.

The Buyers intend to retain the existing management of the Terminal, who have a proven track record of providing a safe and environmentally sensitive operation and excellent service to its customers. There are no plans to reduce or downsize the work force that operates the Terminal. Furthermore, the acquisition will not have an adverse effect on competition or on customers. For these reasons and the reasons described herein, the Commission should approve this Joint Application because it is in the public interest.

II. Application Requirements – Compliance with Rule 2

A. Requested Authority - Rule 2.1

The Proposed Transaction will take place at the holding company level, and there will be no transfer of assets, operating authorities, or customers. Therefore, this Joint Application is limited to a request for approval under Public Utilities Code § 854(a) of the acquisition of the membership interests in the Terminal by Zenith Holdings from Plains.

B. Information Regarding Joint Applicants - Rule 2.1(a)

1. Zenith and Zenith Holdings

Zenith is a limited liability company organized under the laws of the state of Delaware. Its address is 3900 Essex Lane, Suite 700, Houston, TX 77027. Zenith Holdings is a limited

liability company and wholly-owned subsidiary of Zenith that is organized under the laws of the state of Delaware. Its address is also 3900 Essex Lane, Suite 700, Houston, TX 77027.

Zenith Holdings is a domestic bulk liquids terminaling company. Zenith Holdings is focused on the storage and distribution of petroleum, refined products, natural gas liquids and petrochemicals. Management of Zenith has extensive experience developing and operating terminals and has a long history of successfully completing and integrating acquisitions of storage and terminaling assets. Zenith is committed to its core values of safety first, environmental protection, integrity and ethics in business, customer service, employee respect, well maintained facilities and appropriate financial returns. Through Zenith Holdings, Zenith owns and operates terminaling facilities throughout the United States including in Alabama, Colorado, Illinois, Maryland, Mississippi, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Virginia, and Wisconsin.

2. Plains and Plains Marketing

Plains is a publicly traded master limited partnership engaged in the transportation, storage, terminaling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas related petroleum products. Plains is also engaged in the development and operation of natural gas storage facilities. It is headquartered in Houston, Texas. Its stock is traded on the New York Stock Exchange under the ticker symbol "PAA." It is organized under the laws of the state of Delaware. Its address is 333 Clay Street, Suite 1600, Houston, TX 77002.

Plains Marketing is a limited partnership organized under the laws of the state of Texas. Plains Marketing, L.P. is owned by Plains. Its address is 333 Clay Street, Suite 1600, Houston, TX 77002.

C. Correspondence - Rule 2.1(b)

All communications, correspondence, and pleadings with respect to this Joint Application should be directed to:

For Zenith and Zenith Holdings:

Dana Love
General Counsel
Zenith Energy U.S., L.P.
3900 Essex Lane, Suite 700
Houston, TX 77027
Tel: (713) 395-6213
Email: dana.love@zenithterminals.com

with copies to:

Sean Monroe
O'MELVENY & MYERS LLP
1999 Avenue of the Stars, 7th Floor
Los Angeles, CA 90071
Tel: (310) 246-8557
Email: smonroe@omm.com

Vidhya Prabhakaran
Tahiya Sultan
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505 Montgomery Street, Suite 800
San Francisco, CA 94111
Tel: (415) 276-6500
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tahiyasultan@dwt.com

and:

For Plains and Plains Marketing:

Richard McGee
Executive Vice President and General Counsel
333 Clay Street, Suite 1600
Houston, Texas 77002

with copies to:

James D. Squeri
GOODIN, MACBRIDE
SQUERI & DAY, LLP
505 Sansome Street, Suite 900
San Francisco, California 94111
Tel: (415) 392-7900
Email: jsqueri@goodinmacbride.com

D. Categorization, Need for Hearing, Issues, Schedule - Rule 2.1(c) Proposed Category

The Joint Applicants propose that the Commission classify this proceeding as ratesetting. Although this Joint Application does not affect rates, the Commission's rules specify that when a proceeding does not clearly fit any of the categories, it should be conducted under the ratesetting procedures.

1. Need for Hearing

No hearings are needed for the Commission to act on this application.

2. Issues to Be Considered

The sole issue in this proceeding is whether the indirect transfer of control is consistent with the public interest.

3. Proposed Schedule

Joint Applicants propose the following schedule:

February 2020	- Final date for protests 30 days after notice of Joint Application appears in calendar.
March 2020	- Mandatory prehearing conference held. Joint Application deemed submitted.
March 2020	- Mandatory scoping memo issued.
April 2020	- Proposed Decision granting Joint Application.
May 2020	- Final Decision voted out by the full Commission.

E. Organization and Qualification to Transact Business - Rule 2.2

Copies of Zenith, Zenith Holdings and the Terminal's formation documents and Zenith Holdings and the Terminal's certificates of registration (good standing) from the California Secretary of State are included in Exhibit B. Copies of Plains Marketing and the Terminal's formation documents and certificates of status (good standing) issued by the California Secretary of State were previously provided in Application 09-05-019, Exhibits A and C.

F. CEQA Compliance - Rule 2.4

The California Environmental Quality Act ("CEQA") applies only to "projects," which are defined as any "activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment."[1] In contrast, CEQA does not apply where the "activity will not result in a direct or reasonably foreseeable indirect physical change in the environment."[2] The CEQA Guidelines provide for an exemption "[w]here it can be seen with certainty that there is no possibility that the proposed activity in question may have a significant effect on the environment."[3]

The Commission has concluded on numerous occasions that a proposed transaction that simply involves the transfer of equity interests did not require CEQA review because in such circumstances there is no possibility that granting the application would have an adverse effect on the environment.[4] Likewise in the present application, the Proposed Transaction is not a

[1] *See* Cal. Pub. Res. Code § 21065.
[2] CEQA Guidelines, § 15060(c)(2).
[3] CEQA Guidelines, § 15061(b)(3).
[4] *See, e.g.,* D.93-11-002, 1993 Cal. PUC LEXIS 859 at *4 (Commission concluded that the proposed transaction did not require CEQA review, finding that "the proposed transfer will have no adverse effect or impact on the environment because the transaction involves only the transfer of outstanding shares of stock"); D.06-09-017, mimeo at 6 (Conclusions of Law No. 3) (the proposed transaction did not require CEQA review based on the Commission's conclusion that "[s]ince Applicants will be constructing no facilities, it can be seen with certainty that there will be no significant effect on the environment").

request to construct or transfer any physical facilities but rather, involves only an indirect change of control of the Terminal through Zenith Holdings' purchase of Plains Marketing's membership interests in the Terminal. Thus, the Commission should conclude that the Proposed Transaction does not require CEQA review because there is no possibility that the Proposed Transaction will have an adverse impact on the environment.

Accordingly, pursuant to Rule 2.4 of the Commission's Rules, Joint Applicants request that the Commission make a determination that the Proposed Transaction is not a project within the meaning of CEQA, California Public Resources Code, Section 21000, *et. seq*.

III. Transaction Overview – Compliance with Rule 3.6

A. Character of Business and Territory Served - Rule 3.6(a)

The Terminal is a Delaware limited liability company that is authorized to do business in the State of California. Its principal place of business is 5900 Cherry Avenue, Long Beach, California, 90805-4408. The Terminal is a public utility subject to the Commission's jurisdiction pursuant to the provisions of Public Utilities Code sections 216 and 228.

The Terminal owns and operates certain oil pipeline and storage facilities in Southern California that were originally built by Southern California Edison Company ("SCE") to supply its electric generation stations. The Terminal acquired the facilities from SCE in 2003, and has undergone a number of ownership changes since then culminating most recently with Plains owning the Terminal. The Terminal provides oil storage and transportation service to third-party users pursuant to the terms of a Commission-approved tariff which allows for negotiated contracts between the Terminal and its customers.

Additionally, the descriptions of the applicants in Section II.B *supra* provides this information regarding the applicants.

B. Description of Involved Property - Rule 3.6(b)

The application seeks authority for an acquisition of control and does not involve the sale or other transfer of any property. The facilities consist of 120 miles of pipeline (75 miles of which are active), with connections to a marine berth at the Port of Long Beach and to Los Angeles area refineries, and associated pumping and heating stations. The facilities also include oil storage tanks with a nominal capacity of 9.0 million barrels (7.5 million barrels of which are active).

C. Reasons for Entering into the Proposed Transaction - Rule 3.6(c),

Zenith's business strategy is to acquire and develop key infrastructure assets with strategic importance to its customers and the marketplace without taking any direct commodity exposure. Purchase of the Terminals is directly in line with that strategy and will complement Zenith's existing portfolio of assets. Zenith found the following attributes highly compelling, which were among the primary reasons why Zenith decided to enter into the Membership Interest Purchase Agreement:

- ***Expand and strengthen customer relationships with the Terminal's existing customers*:** The owners of substantially all of the refineries to which the Terminal's assets connect are important existing customers of Zenith in other states and the ownership and operation of the Terminal will provide Zenith the opportunity to expand the services provided to these customers.

- ***Attractiveness of Los Angeles market.*** The Terminal is a key infrastructure asset servicing the attractive Los Angeles refining complex. Zenith has spent significant time and resources studying and analyzing the market serviced by the

Terminal and is excited about the opportunity to operate an asset with exposure to the highly attractive Los Angeles market fundamentals.

- ***Stable cash flows.*** The cash flows of the Terminal are underpinned by term commercial contracts with no direct commodity exposure.

Sellers have determined that continued ownership of the Terminal no longer meets their strategic business objectives.

D. Purchase Price and Terms for Payment - Rule 3.6(d)

The purchase price and terms of payment for the Proposed Transaction are set forth in the Membership Interest Purchase Agreement among Zenith Holdings, Plains, and Plains Marketing, a redacted copy of which is attached as Exhibit C.

E. Financial Showing - Rule 3.6(e)

Financial statements for Zenith and the Terminal are attached as Exhibit D.

F. Purchase Agreement - Rule 3.6(f)

As noted above, a copy of the Membership Interest Purchase Agreement is attached as Exhibit C. The purchase price and other confidential financial information are redacted.

IV. Reasons the Transaction is in the Public Interest

The purpose of Section 854(a) is to the enable the Commission to determine if a change of control is in the public interest. The standard generally applied by the Commission to determine if a transaction should be approved under Section 854(a) is "whether the transaction will be adverse to the public interest."[5] The Proposed Transaction will not be adverse to the public interest, but rather aligns with the public interest.

[5] *See, e.g.,* D.06-11-019, mimeo at 14; D.08-01-018, mimeo at 19-20 (quoting D.07-05-061, mimeo at 24 (footnotes omitted)); D.11-05-030, mimeo at 3; D.16-06-014, mimeo at 18, and D.18-05-010, mimeo at 8.

In determining whether a transfer of control should be authorized under Section 854(a), the Commission has at times used the criteria set forth in Sections 854(b) and (c) to "inform" its public interest determination.[6] It has done so even though Sections 854(b) and (c) only apply to electric, gas and telephone utilities. Accordingly, the transfer of control requested by this application is in the public interest, including when looked at through the lens of the Section 854(b) and (c) criteria.

A. Zenith is In the Business of Running Safe Terminaling Operations

As mentioned above, Zenith is a world-class midstream asset operator buying and building terminals across the United States and the world. Zenith owns and/or operates twenty-one terminals throughout the United States, which have a combined storage capacity of almost 8,500,000 barrels. These terminals handle a variety of liquids products, including gasoline, crude oil, asphalt, ethanol and renewable fuels. Specific to the Proposed Transaction, Zenith operates large terminals in Alabama and Oregon that are substantially similar to the facilities owned by the Terminal, handling the same commodities and servicing common customers.

Zenith has a Health, Safety and Environmental Compliance and Regulatory department made up of ten professionals with subject matter expertise for the specific risks associated with terminal operations. Zenith has processes for Management of Change and Permit to Work for all activities occurring at its facilities in order to protect the public, its personnel, the environment, and the assets, and routinely performs exercises respecting its safety plans and emergency response capabilities. Zenith partners with representative trade associations and participates in a variety of conferences and seminars in order to ensure the incorporation of best practices into its operations. Zenith provides training for all new hires at the terminals, which includes an

[6] *See, e.g.,* D.02-12-068, mimeo at 9.

extensive on the job training requirement, and has additional continuing education requirements, the most critical of which are covered live by professional subject matter experts.

Zenith received a safety award in 2019 from the International Liquid Terminals Association (ILTA) for its 2018 performance and a Safe Handling Award in 2019 from CN for its 2018 performance, recognizing that Zenith meets its strict standards for the safe handling and shipment of regulated products. As a company, Zenith has had over 750 days without a lost time incident, and its total recordable incident rate (TRIR) and days away, restricted, transferred rate (DART) for 2019 was 0.56 and 0.0, respectively.

B. Zenith Management is Well Qualified to Manage the Terminal

Zenith's management is well-qualified to manage the Terminal and its CPUC-jurisdictional facilities. Representative of the experience of the Zenith management team are the following officers:

Jeff Armstrong - Chief Executive Officer

Jeff Armstrong is the Chief Executive Officer and founder of Zenith Energy. Prior to founding Zenith Energy, Jeff worked as Head of Corporate Strategy for Kinder Morgan Inc. Before Jeff's role as Head of Corporate Strategy, he served as President of Kinder Morgan Terminals for 12 years. Under Jeff's leadership, Kinder Morgan Terminals grew to become the largest independent owner and operator of liquids and bulk terminals in North America, with 40 liquids terminals, 82 bulk terminals, and 10 transload facilities.

Jeff's previous experience includes General Manager of East Coast Operations at GATX and Maritime Overseas Corp. Jeff received his MBA from the University of Notre Dame and his BS in Marine Transportation from the US Merchant Marine Academy.

Carlos Ruiz - Chief Financial Officer

Carlos Ruiz is Chief Financial Officer of Zenith Energy. Prior to his role at Zenith Energy, Carlos worked for over 13 years in energy investment banking, most recently serving as a Managing Director with the Natural Resources Group of Barclays Capital. During this time, he provided M&A and capital raising advisory services to public and private midstream, upstream and oilfield service companies.

Carlos' previous experience includes commercial banking roles at Bladex and HSBC. Carlos received his MBA from the Darden School of Business at the University of Virginia and his BA from McGill University in Montreal.

Jay Reynolds - Chief Commercial Officer

Jay Reynolds is Chief Commercial Officer of Zenith Energy. Prior to his role at Zenith Energy, Jay worked as Managing Director and was a member of the Board of Managers of LUKOIL Pan Americas a subsidiary of LITASCO SA, one of the world's major traders of crude oil and refined petroleum products, where he was involved with business development and overall management of the company.

Jay was previously an attorney with the law firm Blank Rome LLP and served as a principal in a boutique investment company. Jay received his JD from Temple University School of Law and his BA from Loyola University Maryland.

Rich Reynolds - Chief Operating Officer

Rich Reynolds is the Chief Operating Officer of Zenith Energy. Prior to his role at Zenith Energy, Rich worked at Overseas Shipholding Group. Rich worked for 11 years in various positions at Overseas Shipholding Group, ultimately serving as the Vice President of International Flag Strategic Business.

Rich's previous experience includes working as a Ship Broker for seven years at McQuilling Brokerage Partners and five years at Chevron Shipping Company as a Ship Officer. Rich received his BS from the US Merchant Marine Academy.

Grady Reamer – Vice President of Operations

Grady Reamer is a Vice President of Operations of Zenith Energy. Prior to this role, he had been the Director of Business Development since 2015, focusing on the development of petroleum terminals in the Pacific Northwest. Grady's previous terminaling experience includes seven years at Kinder Morgan, Inc., where he held various commercial and business development roles. Grady received an MBA from the University of Houston and a BS from the University of Texas at Arlington.

In addition to this management team, Zenith intends to continue to employ the current management team at the Terminal, including operational management. Combined, Zenith will be able to continue to operate the Terminal in a safe manner.

C. Zenith Is Financially Strong

Zenith has the financial strength to carry out its public utilities obligations. As of December 31, 2019, Zenith had approximately $850 million of assets. Since December 2017, Zenith has successfully acquired and integrated approximately $800 million in acquisitions. In addition, since 2018, Zenith has embarked on an approximately $200 million organic investment program, which it continues to execute. Zenith's equity capital is primarily provided by Warburg Pincus LLC and Kelso & Company, LP, two leading private equity firms, which have agreed to lead a line-of-equity investment of $625 million. Warburg Pincus and Kelso are experienced partners to management teams seeking to build durable companies with sustainable value.

Warburg Pincus is one of the oldest and largest private equity firms in the world. Over the past 52 years, the firm has raised 19 private equity investment funds which have invested over $81 billion in more than 890 companies in over 40 countries. Warburg Pincus has over 70 partners and more than 200 investment professionals in offices in New York, San Francisco, Houston, London, Hong Kong, Beijing, Shanghai, Mumbai, Singapore, Berlin, and Sao Paulo. The firm's sole business is private equity investing, and Warburg's current portfolio consists of over 190 companies based around the world. The firm's strategy combines deep industry expertise and local market experience; the flexibility to support all stages of company development; a long-term investment horizon; and fully aligned interests among the portfolio company management, limited partners and general partners. Warburg Pincus' approach also applies to expectations of accountability, ethical business conduct and a sense of responsibility for the local communities in which the firm operates.

Kelso is one of the oldest and most established firms specializing in private equity investing. Since 1980, Kelso has invested approximately $14 billion of equity capital in over 125 transactions. Kelso was founded by the inventor of the Employee Stock Ownership Plan ("ESOP") and, as a result, the principles of partnership and alignment of interest serve as the foundation of the firm's investment philosophy. Kelso benefits from a successful investment track record, deep sector expertise, a long-tenured investing team, and a reputation as a preferred partner to management teams and corporates.

D. The Transaction Will Not Adversely Affect Competition

The transaction is subject to review by the Federal Trade Commission and the U.S. Department of Justice under the Hart Scott Rodino Antitrust Improvements of 1976. Furthermore, Zenith does not own any other oil storage facilities or terminaling services in

California. As such, there is no adverse impact on competition for crude oil storage and terminaling services in California.

E. The Transaction Will Be Fair and Reasonable to Employees

Zenith intends to offer employment to all of the employees who are currently involved in the day-to-day operations of the Terminal, including operational management, at the same or better salaries and wages as they receive today. Thus, there should be no adverse impact on operational employees. In addition, Zenith anticipates that it will hire several new employees to complement the operations and enhance the service capabilities of the Terminal.

F. The Transaction Will Be Fair and Reasonable to Current Shareholders

Sellers have determined that the Terminal is no longer a core asset. This divestiture aligns with Sellers' key initiatives related to financial strategy and portfolio optimization. These include reducing balance sheet leverage and focusing Sellers' business resources around their core operating regions and capabilities. Sellers believe that Buyers' structure will allow them to more fully optimize the Terminal and its assets.

G. The Transaction Will Preserve the Jurisdiction of the Commission

The Transaction ensures that the Terminal will continue to offer storage and terminaling services pursuant to its current CPUC-approved tariff.

V. CONCLUSION

The Joint Applicants respectfully submit that the foregoing, including the referenced exhibits, demonstrates that the Proposed Transaction is consistent with the public interest and that their Joint Application should be granted.

Respectfully submitted January 30, 2020 at San Francisco, California.

/s/
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Tahiya Sultan
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Email: jsqueri@goodinmacbride.com

Attorneys for Attorneys for Plains All American Pipeline, L.P., Plains Marketing, L.P., and Plains West Coast Terminals LLC

VERIFICATION ON BEHALF OF ZENITH ENERGY U.S., L.P. AND ZENITH ENERGY TERMINALS HOLDINGS LLC

My name is Jeff Armstrong. I am the Chief Executive Officer of Zenith Energy U.S., L.P. and am also an officer of Zenith Energy Terminals Holdings LLC. I am authorized to verify the Joint Application on their behalf.

I affirm and declare under penalty of perjury under the laws of the State of California, including Rule 1.1 of the California Public Utilities Commission's Rules of Practice and Procedure, that, to the best of my knowledge, all of the statements and representations made in this Joint Application on behalf of the Zenith Energy U.S., L.P. and Zenith Energy Terminals Holdings LLC are true and correct.

Dated: January 30, 2020

VERIFICATION ON BEHALF OF PLAINS ALL AMERICAN PIPELINE, L.P. AND PLAINS MARKETING, L.P.

My name is Harry Pefanis. I am the President and Chief Commercial Officer of Plains All American Pipeline, L.P. and am also an officer of Plains Marketing, L.P. I am authorized to verify the Joint Application on their behalf.

I affirm and declare under penalty of perjury under the laws of the State of California, including Rule 1.1 of the California Public Utilities Commission's Rules of Practice and Procedure, that, to the best of my knowledge, all of the statements and representations made in this Joint Application on behalf of the Plains, L.P. and Plains Marketing, L.P. are true and correct.

Dated: 1/30/2020

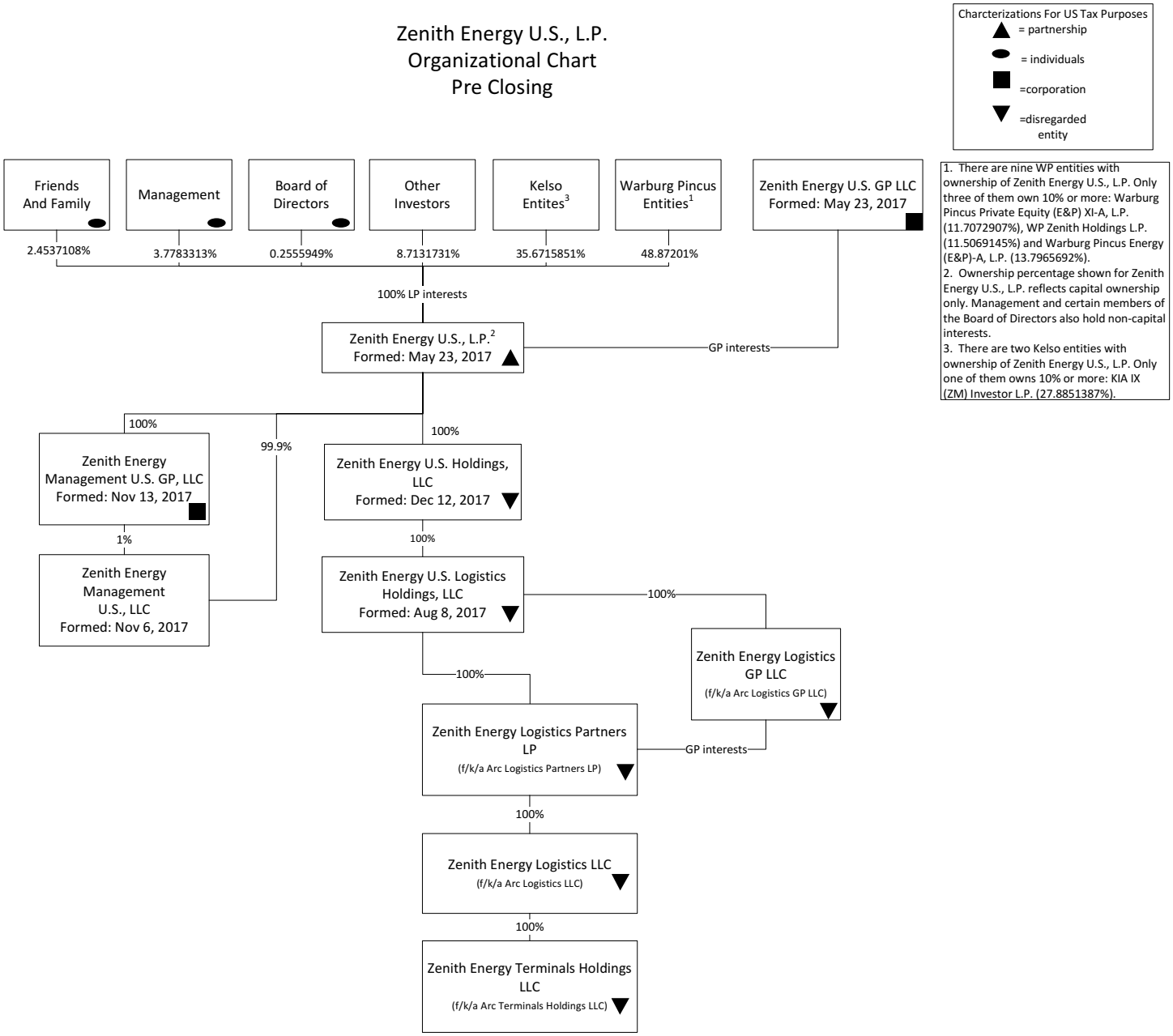
LIST OF EXHIBITS

Exhibit A	PRE-CLOSING AND POST-CLOSING STRUCTURES
Exhibit B	ORGANIZATION AND QUALIFICATION DOCUMENTATION OF ZENITH ENERGY, L.P., ZENITH ENERGY TERMINALS HOLDINGS LLC, AND PLAINS WEST COAST TERMINALS LLC
Exhibit C	[REDACTED] MEMBERSHIP INTEREST PURCHASE AGREEMENT
Exhibit D	FINANCIAL STATEMENTS

EXHIBIT A

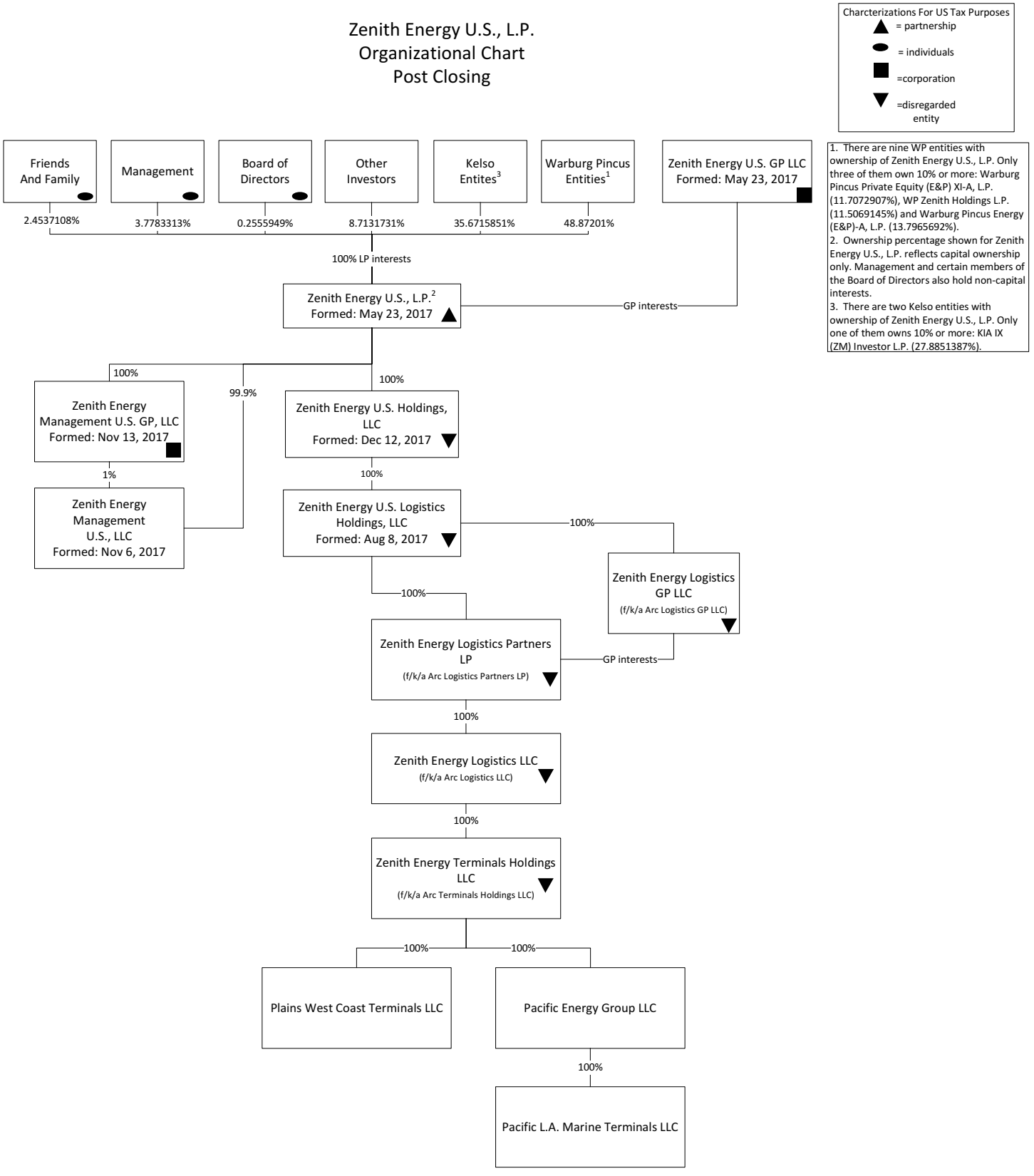
PRE-CLOSING AND POST-CLOSING STRUCTURES

Zenith Energy U.S., L.P.
Organizational Chart
Pre Closing



1. There are nine WP entities with ownership of Zenith Energy U.S., L.P. Only three of them own 10% or more: Warburg Pincus Private Equity (E&P) XI-A, L.P. (11.7072907%), WP Zenith Holdings L.P. (11.5069145%) and Warburg Pincus Energy (E&P)-A, L.P. (13.7965692%).
2. Ownership percentage shown for Zenith Energy U.S., L.P. reflects capital ownership only. Management and certain members of the Board of Directors also hold non-capital interests.
3. There are two Kelso entities with ownership of Zenith Energy U.S., L.P. Only one of them owns 10% or more: KIA IX (ZM) Investor L.P. (27.8851387%).

Zenith Energy U.S., L.P.
Organizational Chart
Post Closing



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2. Ownership percentage shown for Zenith Energy U.S., L.P. reflects capital ownership only. Management and certain members of the Board of Directors also hold non-capital interests.
3. There are two Kelso entities with ownership of Zenith Energy U.S., L.P. Only one of them owns 10% or more: KIA IX (ZM) Investor L.P. (27.8851387%).

EXHIBIT B

ORGANIZATION AND QUALIFICATION DOCUMENTATION OF ZENITH ENERGY, L.P., ZENITH ENERGY TERMINALS HOLDINGS LLC, AND PLAINS WEST COAST TERMINALS LLC

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF LIMITED PARTNERSHIP OF "ZENITH ENERGY U.S., L.P.", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF MAY, A.D. 2017, AT 5:32 O`CLOCK P.M.

6420869 8100
SR# 20173940868

Authentication: 202593679
Date: 05-24-17

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:32 PM 05/23/2017
FILED 05:32 PM 05/23/2017
SR 20173940868 - File Number 6420869

CERTIFICATE OF LIMITED PARTNERSHIP

OF

ZENITH ENERGY U.S., L.P.

This Certificate of Limited Partnership of Zenith Energy U.S., L.P. (the "Partnership"), dated as of May 23, 2017, has been duly executed and is being filed by the undersigned, as general partner, to form a limited partnership under the Delaware Revised Uniform Limited Partnership Act (6 Del. C. § 17-101, et. seq).

1. Name. The name of the limited partnership is Zenith Energy U.S., L.P..

2. Registered Office. The address of the registered office of the Partnership in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

3. Registered Agent. The name and address of the registered agent for service of process on the Partnership in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

4. General Partner. The name and the business address of the general partner of the Partnership is:

Zenith Energy U.S. GP, LLC
c/o Warburg Pincus LLC
450 Lexington Avenue
New York, New York 10017

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Limited Partnership as of the date and year first above written.

ZENITH ENERGY U.S. GP, LLC

By: _____
Name: David Sreter
Title: Authorized Person

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:41 PM 06/08/2007
FILED 06:27 PM 06/08/2007
SRV 070690929 - 4367449 FILE

CERTIFICATE OF FORMATION

OF

ARC TERMINALS HOLDINGS LLC

This Certificate of Formation of Arc Terminals Holdings LLC ("LLC"), dated as of June 8, 2007, is being duly executed and filed pursuant to Section 18-201 of the Delaware Limited Liability Company Act (the "Act") to form a limited liability company under the Act.

1. **Name.** The name of the limited liability company is Arc Terminals Holdings LLC.

2. **Registered Office; Registered Agent.** The address of the registered office of the LLC required to be maintained by Section 18-104 of the Act is:

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

The name and the address of the registered agent for service of process on the LLC required to be maintained by Section 18-104 of the Act are:

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

EXECUTED, as of the date written first above.

Arc Terminals Holdings LLC

By: Arc Terminals LP
Its sole member

By: Arc Terminals GP LLC
Its general partner

By: Lightfoot Capital Partners, LP
Its sole member

By: Lightfoot Capital Partners GP LLC
Its general partner

By: Vincent T. Cubbage
Vincent T. Cubbage
Chief Executive Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:10 PM 03/11/2010
FILED 09:30 AM 03/11/2010
SRV 100268402 - 4367449 FILE

STATE OF DELAWARE
CERTIFICATE OF CHANGE OF AGENT
AMENDMENT OF LIMITED LIABILITY COMPANY

The limited liability company organized and existing under the Limited Liability Company Act of the State of Delaware, hereby certifies as follows:

1. The name of the limited liability company is ARC TERMINALS HOLDINGS LLC

2. The Registered Office of the limited liability company in the State of Delaware is changed to 2711 Centerville Road, Suite 400 (street), in the City of Wilmington, Zip Code 19808. The name of the Registered Agent at such address upon whom process against this limited liability company may be served is Corporation Service Company

By: _____
Authorized Person

Name: Vincent Cubbage
Print or Type

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ARC TERMINALS HOLDINGS LLC", CHANGING ITS NAME FROM "ARC TERMINALS HOLDINGS LLC" TO "ZENITH ENERGY TERMINALS HOLDINGS LLC", FILED IN THIS OFFICE ON THE TWENTY-FIRST DAY OF DECEMBER, A.D. 2017, AT 12:42 O`CLOCK P.M.

4367449 8100
SR# 20177717422

Authentication: 203809341
Date: 12-21-17

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:42 PM 12/21/2017
FILED 12:42 PM 12/21/2017
SR 20177717422 - File Number 4367449

CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF FORMATION

OF

ARC TERMINALS HOLDINGS LLC

It is hereby certified pursuant to Section 18-202 of the Delaware Limited Liability Company Act that:

1. The name of the limited liability company (hereinafter called the "Company") is Arc Terminals Holdings LLC.

2. The Certificate of Formation of the Company is hereby amended to effect a change in Article First thereof, relating to the name of the Company, accordingly Article First of the Certificate of Formation shall be amended to read in its entirety as follows:

"FIRST. The name of the limited liability company formed hereby is Zenith Energy Terminals Holdings LLC."

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment as of this 21st day of December, 2017.

ARC LOGISTICS LLC
Sole Member of Arc Terminals Holdings LLC

By: _____
Name: Jeffrey R. Armstrong
Title: Chief Executive Officer

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ZENITH ENERGY TERMINALS HOLDINGS LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTEENTH DAY OF JANUARY, A.D. 2020.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

4367449 8300

Authentication: 202216120

SR# 20200382074

Date: 01-17-20

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of California
Secretary of State

CERTIFICATE OF REGISTRATION

I, ALEX PADILLA, Secretary of State of the State of California, hereby certify:

That on the **17TH** day of **JANUARY**, **2020**, **ZENITH ENERGY TERMINALS HOLDINGS LLC**, complied with the requirements of California law in effect on that date for the purpose of registering to transact intrastate business in the State of California; and further purports to be a limited liability company organized and existing under the laws of **DELAWARE** as **ZENITH ENERGY TERMINALS HOLDINGS LLC** and that as of said date said limited liability company became and now is duly registered and authorized to transact intrastate business in the State of California, subject, however, to any licensing requirements otherwise imposed by the laws of this State.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of January 21, 2020.

ALEX PADILLA
Secretary of State

EA

NP-25 (REV 02/2019)

202002110587

Secretary of State
Application to Register a Foreign Limited Liability Company (LLC)

LLC-5

IMPORTANT — Read Instructions before completing this form.

Must be submitted with a current Certificate of Good Standing issued by the government agency where the LLC was formed. See Instructions.

Filing Fee – $70.00

Copy Fees – First page $1.00; each attachment page $0.50; Certification Fee - $5.00

Note: Registered LLCs in California may have to pay minimum $800 tax to the California Franchise Tax Board each year. For more information, go to *https://www.ftb.ca.gov.*

CW
EA

FILED
Secretary of State
State of California
JAN 17 2020

CV

This Space For Office Use Only

1a. LLC Name (Enter the exact name of the LLC as listed on your attached Certificate of Good Standing.)

Zenith Energy Terminals Holdings LLC

1b. California Alternate Name, If Required (See Instructions – Only enter an alternate name if the LLC name in 1a not available in California.)

2. LLC History (See Instructions – Ensure that the formation date and jurisdiction match the attached Certificate of Good Standing.)

a. Date LLC was formed in home jurisdiction (MM/DD/YYYY)	b. Jurisdiction (State, foreign country or place where this LLC is formed.)
6 / 8 / 2007	Delaware

c. Authority Statement (Do not alter Authority Statement)

This LLC currently has powers and privileges to conduct business in the state, foreign country or place entered in Item 2b.

3. Business Addresses (Enter the complete business addresses. Items 3a and 3b cannot be a P.O. Box or "in care of" an individual or entity.)

	City (no abbreviations)	State	Zip Code
a. Street Address of Principal Executive Office - Do not enter a P.O. Box 3900 Essex Lane, Suite 700	Houston	TX	77027
b. Street Address of Principal Office in California, if any - Do not enter a P.O. Box	City (no abbreviations)	State CA	Zip Code
c. Mailing Address of Principal Executive Office, if different than item 3a	City (no abbreviations)	State	Zip Code

4. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL – Complete Items 4a and 4b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix

b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
		CA	

CORPORATION – Complete Item 4c only. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete Item 4a or 4b

C T Corporation System

5. Read and Sign Below (See Instructions. Title not required.)

By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized to sign on behalf of the foreign LLC.

Signature

Dana D. Love

Type or Print Name

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ZENITH ENERGY TERMINALS HOLDINGS LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTIETH DAY OF DECEMBER, A.D. 2019.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

Authentication: 204275848

Date: 12-20-19

SR# 20198799135

You may verify this certificate online at corp.delaware.gov/authver.shtml

202002110587

I hereby certify that the foregoing transcript of 2 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

JAN 21 2020 EA

Date: _____

ALEX PADILLA, Secretary of State

CALIFORNIA
SECRETARY OF STATE

Business
Programs Division

Business Entities, 1500 11th St., 3rd Floor,
Sacramento, CA 95814

Thank You for Doing Business in California

Congratulations on the registration of your limited liability company with the California Secretary of State (SOS). Please see below for important information.

What's next? Required Filings

SOS Statement of Information – Limited liability companies must fill out and file a complete Statement of Information (Form LLC-12) within the first 90 days of registering with the SOS, and every 2 years thereafter before the end of the calendar month of the original registration date.

How can you file your Statement of Information?

- Currently, Statements of Information can be submitted on paper to the SOS through the mail, or submitted in person (drop off) to the Sacramento office. Additional information regarding Statements of Information, including forms, instructions and fees is available at *www.sos.ca.gov/business/be/statements*.
- Current processing times for Statements of Information may be found at *www.sos.ca.gov/business//be/processing-times*.
- Limited liability companies may file their Statement of Information using our secure E-File Statement of Information filing service at *https://llcbizfile.sos.ca.gov*.

Franchise Tax Board (FTB) Tax Filing – Once your limited liability company is registered with the SOS, you are required to file a tax return with FTB for each taxable year even if you are not conducting business or have no income. Contact FTB at www.ftb.ca.gov or (800) 852-5711 for forms and requirements concerning franchise taxes or income taxes.

Be aware, if you fail to file a return by the original or extended due date, or fail to pay taxes when due, a penalty may be imposed by FTB. Please visit *www.ftb.ca.gov/businesses/Penalty-Information.shtml* for tax penalty related information.

Other Business Information and Resources

All business entities are subject to state and federal tax laws. You may wish to contact the following agencies to assist you with these issues:

- Internal Revenue Service – *www.irs.gov* or call (800) 829-1040 for forms and issues concerning Federal tax, employer identification numbers, subchapter S elections.
- State Board of Equalization – *www.boe.ca.gov* or call (800) 400-7115 for forms and issues concerning sales taxes or use taxes.
- Employment Development Department – *www.edd.ca.gov* or call (800) 300-5616 for forms and issues concerning employment and payroll taxes.
- CalGold – *www.calgold.ca.gov* for appropriate permit, licensing, and contact information for the various agencies that administer and issue these permits.
- SOS Business Resources – *www.sos.ca.gov/business/be/resources* for a list of agencies you may need to contact to ensure proper compliance with California state law.
- CA Governor's Office of Business and Economic Development (Go-Biz) – *www.business.ca.gov* for a range of business services including, site selection and permit assistance.
- The California Business Incentives Gateway (CBIG) – *https://cbig.ca.gov* is a web portal that connects business owners and entrepreneurs with financial incentives.

SECOND AMENDMENT
TO THE
LIMITED LIABILITY COMPANY AGREEMENT
OF
PLAINS WEST COAST TERMINALS LLC

This Second Amendment (this "Amendment") to the Limited Liability Company Agreement of Plains West Coast Terminals LLC, a Delaware limited liability company (formerly known as Pacific Terminals LLC, the "Company"), dated effective as of July 1, 2009, is entered into by Plains Marketing, L.P., a Texas limited partnership (the "Sole Member"). Capitalized terms used but not defined herein shall have their respective meanings as set forth in the LLC Agreement (defined below).

WHEREAS, Pacific Energy Group LLC, a Delaware limited liability company (the "Predecessor Member") was a party to that certain Limited Liability Company Agreement of the Company dated March 1, 2002 (the "LLC Agreement"); and

WHEREAS, on the date hereof, the Predecessor Member has assigned all of its membership interest in the Company to the Member; and

WHEREAS, on June 1, 2009, the name of the Company was changed to Plains West Coast Terminals LLC; and

WHEREAS, the Member desires to amend the LLC Agreement to evidence the change in member and the change in name of the Company.

NOW THEREFORE, the Member adopts, executes and agrees to the following provisions:

1. *Amendment.*

   a. The preamble to the LLC Agreement is amended to reflect that the name of the Member is Plains Marketing, L.P.; and

   b. The first sentence of Section 1.1 is amended to read as follows: "The name of the Company shall be Plains West Coast Terminals LLC."

2. *Ratification of LLC Agreement.* Except as expressly amended herein, the terms, covenants and conditions of the LLC Agreement, as amended by this Amendment, shall remain in full force and effect, and the undersigned Member hereby ratifies the same in its entirety.

3. *Governing Law.* This Amendment will be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the Member has executed this Amendment as of the date first stated above.

PLAINS MARKETING, L.P.

By: Plains Marketing GP Inc., its general partner

By: _____
Name: T oore
Title: Vice President

AMENDMENT NO. 1
TO THE
LIMITED LIABILITY COMPANY AGREEMENT
OF

PACIFIC TERMINALS LLC

This Amendment No. 1 to the Limited Liability Company Agreement of Pacific Terminals LLC (this "***Amendment***"), dated and effective as of November 15, 2006, is entered into by Pacific Energy Group LLC, a Delaware limited liability company (the "***Member***"). Capitalized terms used but not defined herein shall have their respective meanings set forth in the LLC Agreement.

WHEREAS, PPS Holding Company (the "***Predecessor Member***") entered into that certain Limited Liability Company Agreement of Pacific Terminals LLC, a Delaware limited liability company (the "***Company***"), dated and effective as of March 1, 2002 (the ***"LLC Agreement"***); and

WHEREAS, the Member desires to amend the LLC Agreement to evidence the change in the Member of the Company.

NOW THEREFORE, the Member does hereby amend the LLC Agreement as follows:

1. *Amendment.* The LLC Agreement is amended to delete each reference to "PPS Holding Company" and insert in lieu thereof "Pacific Energy Group LLC"

2. *Ratification of LLC Agreement.* Except as expressly amended herein, the terms, covenants and conditions of the LLC Agreement, as amended by this Amendment, shall remain in full force and effect, and the undersigned hereto ratifies the same in its entirety.

3. *Governing Law.* This Amendment will be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the Member has executed this Amendment as of the date first stated above.

Pacific Energy Group LLC

By: Plains All American Pipeline, L.P.

By: Plains AAP, L.P., its general partner

By: Plains All American GP LLC,
its general partner

By: _____
Name: Tim Moore
Title: Vice President

LIMITED LIABILITY COMPANY AGREEMENT
OF
PACIFIC TERMINALS LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "**Agreement**"), dated effective as of March 1, 2002, is for the benefit of PPS Holding Company, a Delaware limited liability company, which is sometimes referred to as the "**Member**," for the purpose of governing Pacific Terminals LLC (the "**Company**"), a limited liability company organized under the Delaware Limited Liability Company Act (as amended from time to time, the "**Act**").

ARTICLE 1
THE LIMITED LIABILITY COMPANY

1.1 Name. The name of the Company shall be Pacific Terminals LLC. The Company may also conduct business under one or more fictitious names if the Member determines that such is in the best interests of the Company.

1.2 Principal Place of Business; Other Places of Business. The principal place of business of the Company shall be located at 5900 Cherry Avenue, Long Beach, CA 90805, or such other place or places within or outside the State of Delaware as the Company may from time to time designate.

1.3 Business Purpose. The purpose of the Company is to (1) engage in all aspects of the business of blending, gathering, transporting, storing, and distributing liquid materials, including crude oil and products derived therefrom, (2) engage in any and all other ancillary and lawful business, purpose or activity deemed necessary or appropriate by the Member in furtherance of the activities described in clause (1) above; and (3) engage in any and all other lawful business, purpose or activity deemed necessary or appropriate by the Member and in which a limited liability company may be engaged under the Act and other applicable law.

1.4 Certificates. The Member is hereby designated as an "authorized person" within the meaning of the Act. The Member or an officer of the Company shall execute, deliver and file any certificates necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

1.5 Designated Agent for Service of Process. The Company shall continuously maintain a registered office and a designated and duly qualified agent for service of process on the Company in the State of Delaware.

1.6. Capital Contribution. The Member has contributed to the capital of the Company its interest in that certain Asset Sale Agreement, dated February 1, 2002, between Member and Southern California Edison Company, providing for the purchase by Member of Southern California Edison Company's "EPTC" division.

ARTICLE 2
MANAGEMENT

2.1 Member. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Member. The management of the Company is reserved to the Member, and the Company shall not have "Managers," as that term is used in the Act.

2.3 Officers; Delegation.

(a) Unless otherwise determined by the Member, the Company shall have such officers and employees as are designated within this Agreement or as subsequently designated by the Member, which officers shall include a "President" of the Company. Each officer and employee so designated shall have such authority and perform such duties as the Member may from time to time delegate to him. The Member may assign titles to particular officers. If the title is one commonly used for officers of a business corporation formed under the General Corporation Law of the State of Delaware, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made to such officer, or restrictions placed thereon, by this Agreement or by the Member.

(b) The Member hereby designates the following individuals as officers of the Company to serve until their successors are duly appointed by the Member and with the powers consistent with those of persons holding positions with the same titles in other corporate organizations to act on behalf of the Company:

Douglas L. Polson	Chairman
Irvin Toole, Jr.	President and CEO
David E. Wright	Executive Vice President
Arthur G. Diefenbach	Vice President--Operations and Technical Services
Lynn T. Wood	Vice President and Secretary
Thomas G. Kundert	Treasurer

(c) Any officer appointed herein or by the Member may be removed at any time, with or without cause, by the Member. Any officer may resign at any time by giving written notice of resignation to the Member or (if the resigning officer is not that officer) to the president or the secretary. Such resignation shall be effective when it is received by the Member, president, or secretary, as the case may be, unless the notice of resignation specifies a later effective date. A vacancy in any office, however occurring, may be filled for the unexpired portion of the term by the Member.

2.4 Reliance by Third Parties. No third party dealing with the Company shall be required to ascertain whether the Member or any officer is acting in accordance with the provisions of this Agreement. All third parties may rely on a document executed by the Member or any officer as binding the Company.

2.5 Indemnification. The Company shall, to the fullest extent allowed by applicable law, indemnify, defend and hold harmless each individual who is or who has been a Member or officer or employee of the Company (collectively, the "**Indemnified Persons**") from and against and in respect of any and all claims arising from, relating to or associated with, any act or omission of such Indemnified Person within the scope of his authority in the course of the Company's business taken in good faith and in a manner the Indemnified Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful, in each case regardless of whether any such claim results solely or in part from the active or passive or sole or contributory ordinary negligence of such Indemnified Person; provided, however, that such indemnification shall not extend to any amount of punitive damages or other damages attributable to the gross negligence or willful misconduct of any Indemnified Person; provided further, that with respect to claims brought by or on behalf of the Company, the Company shall not indemnify any Indemnified Person in respect of any and all claims for which such Indemnified Person is adjudged liable to the Company; provided further, that any indemnification under this Section 2.5 shall be made by the Company only as authorized in the specific case upon a determination by the Member that indemnification of the present or former Member, officer or employee is proper in the circumstances because the Indemnified Person has met the applicable standard of conduct set forth in this Section 2.5. Notwithstanding anything to the contrary contained in this Section 2.5 or elsewhere in this Agreement, the Company's indemnification of the Indemnified Persons shall be only with respect to such loss, liability or damage that is not otherwise compensated by insurance carried for the benefit of the Company and shall be limited to the net assets of the Company as of the date the Company learns of the act or omission on which the claim is based, and no Member shall have any personal liability whatsoever on account thereof.

ARTICLE 3
MEMBERS

3.1 Limited Liability. The Member's liability for the debts, obligations and liabilities of the Company shall be limited as provided by the Act.

3.2 Additional Members. Additional members may be admitted only by written amendment of this Agreement, executed by Member.

ARTICLE 4
TERM

4.1 Events of Dissolution. The Company shall continue until dissolved by either of the following events:

(a) the written consent of the Member; or

(b) any other event causing dissolution of a limited liability company under the Act.

4.2 Allocations and Distributions. All items of income, gain, loss, deduction and credit of the Company shall be allocated to the Member. The Member may distribute cash in its discretion from time to time. All distributions shall be made to the Member.

ARTICLE 5
DISSOLUTION AND TERMINATION

5.1 Final Accounting. In case of the dissolution of the Company, a proper accounting shall be made from the date of the last previous accounting to the date of dissolution.

5.2 Liquidation. Upon the dissolution of the Company, the Member or, if the Member is unable to act, some person selected by the Member, shall act as liquidator to wind up the Company. The liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's assets and to wind up and liquidate the affairs of the Company in an orderly and businesslike manner. All proceeds from liquidation shall be distributed in the following order of priority: (i) to the payment of debts and liabilities of the Company and the expenses of liquidation; (ii) to the setting up of such reserves as the liquidator may reasonably deem necessary for any contingent liabilities of the Company; and (iii) to the Member.

5.3 Articles of Dissolution. Upon the completion of the distribution of Company assets as provided in this Article 5, the Company shall be terminated and the person acting as liquidator shall file a certificate of cancellation and shall take such other actions as may be necessary to terminate the Company.

ARTICLE 6
GENERAL PROVISIONS

6.1 Amendment. This Agreement may not be amended except by written instrument signed by the Member.

6.2 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the state of Delaware.

IN WITNESS WHEREOF the Member has executed this Agreement effective as of the date first above written.

PPS HOLDING COMPANY

By: _____
Douglas L. Polson
President

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "PACIFIC TERMINALS LLC", CHANGING ITS NAME FROM "PACIFIC TERMINALS LLC" TO "PLAINS WEST COAST TERMINALS LLC", FILED IN THIS OFFICE ON THE FIRST DAY OF JUNE, A.D. 2009, AT 12:48 O'CLOCK P.M.

Jeffrey W Bullock, Secretary of State

3497065 8100

AUTHENTICATION: 7332487

090570815

DATE: 06-01-09

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:57 PM 06/01/2009
FILED 12:48 PM 06/01/2009
SRV 090570815 - 3497065 FILE

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: Pacific Terminals LLC

2. The Certificate of Formation of the limited liability company is hereby amended as follows: The name of the limited liability company is Plains West Coast Terminals LLC, effective as of June 1, 2009.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 28th day of May, A.D. 2009.

By: _____
Authorized Person(s)

Name: Tim Moore, Vice President
Print or Type

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 02/26/2002
020127120 – 3497065

CERTIFICATE OF FORMATION

OF

PACIFIC TERMINALS LLC

The undersigned, an authorized natural person, for the purpose of forming a limited liability company under the provisions and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

1. The name of the limited liability company is Pacific Terminals LLC.

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

Executed this 25th day of February, 2002.

Lynn T. Wood,
Authorized Person

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "PLAINS WEST COAST TERMINALS LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE EIGHTEENTH DAY OF DECEMBER, A.D. 2019.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "PLAINS WEST COAST TERMINALS LLC" WAS FORMED ON THE TWENTY-SIXTH DAY OF FEBRUARY, A.D. 2002.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

3497065 8300

Authentication: 204246138

SR# 20198713917

Date: 12-18-19

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of California
Secretary of State
CERTIFICATE OF STATUS

ENTITY NAME: PLAINS WEST COAST TERMINALS LLC

REGISTERED IN CALIFORNIA AS: PLAINS WEST COAST TERMINALS LLC

FILE NUMBER:	200207410087
REGISTRATION DATE:	03/12/2002
TYPE:	FOREIGN LIMITED LIABILITY COMPANY
JURISDICTION:	DELAWARE
STATUS:	ACTIVE (GOOD STANDING)

I, ALEX PADILLA, Secretary of State of the State of California, hereby certify:

The records of this office indicate the entity is qualified to transact intrastate business in the State of California.

No information is available from this office regarding the financial condition, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of December 20, 2019.

ALEX PADILLA
Secretary of State

FSB

EXHIBIT C

MEMBERSHIP INTEREST PURCHASE AGREEMENT

[REDACTED]

Execution Version

MEMBERSHIP INTEREST PURCHASE AGREEMENT

by and among

PLAINS ALL AMERICAN PIPELINE L.P., as Seller

PLAINS MARKETING, L.P., as Seller

and

ZENITH ENERGY TERMINALS HOLDINGS LLC, as Buyer

January 10, 2020

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "***Agreement***") dated as of January 10, 2020 (the "***Execution Date***"), is made and entered into by and among Plains All American Pipeline, L.P., a Delaware limited partnership ("***Plains All American***"), Plains Marketing, L.P., a Texas limited partnership ("***Plains Marketing***" and, together with Plains All American, the "***Sellers***" and each, a "***Seller***"), and Zenith Energy Terminals Holdings LLC, a Delaware limited liability company ("***Buyer***"). Sellers and Buyer shall collectively be referred to herein as the "***Parties***" and each, a "***Party***."

WHEREAS, Plains Marketing owns 100% of the issued and outstanding membership interests in Plains West Coast Terminals LLC, a Delaware limited liability company ("***Plains West Coast***"), and Plains All American owns 100% of the issued and outstanding membership interests in Pacific Energy Group LLC, a Delaware limited liability company ("***Pacific Energy***" and, together with Plains West Coast, the "***Acquired Entities***" and each, an "***Acquired Entity***");

WHEREAS, subject to the terms and conditions of this Agreement, Sellers desire to sell, assign, transfer, convey and deliver to Buyer, and Buyer desires to purchase and acquire from Sellers, 100% of the issued and outstanding membership interests in the Acquired Entities (the "***Acquired Interests***");

WHEREAS, concurrently with the execution and delivery of this Agreement, Zenith Energy U.S., L.P., a Delaware limited partnership ("***Buyer Parent***") has executed and delivered to Sellers the Buyer Guaranty attached hereto as Exhibit A (the "***Buyer Guaranty***"); and

WHEREAS, except as otherwise defined within the provisions hereof or as the context otherwise requires, the terms commencing with capital letters in this Agreement that are defined in Annex A attached hereto and made a part hereof shall have the meanings given those terms in Annex A.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto hereby agree as follows:

ARTICLE I
SALE AND PURCHASE OF ACQUIRED INTERESTS; CONSIDERATION

1.1 Sale and Purchase of Acquired Interests. At the Closing, subject to the terms and conditions hereof, Sellers shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Sellers, free and clear of any Liens (other than (a) restrictions on transfer that may be imposed by state or federal securities Laws and (b) restrictions on transfer that are set forth in the Governing Documents of the Acquired Group (all of which have been waived or complied with to the extent necessary to consummate the Transaction)) the Acquired Interests, and Buyer shall accept the Acquired Interests, subject to the terms and conditions herein.

1.2 Consideration. The aggregate consideration for the sale and transfer of the Acquired Interests shall be an amount in cash equal to REDACTED

REDACTED (the "***Base Purchase Price***"), as may be adjusted pursuant to Section 1.4, Section 2.5, Section 2.6, Section 2.7, Section 2.8, and Section 7.12(d) (if applicable) (the "***Purchase Price***").

1.3 Deposit. Not later than 5:00 p.m. (Central Time) on the first Business Day immediately following the Execution Date, Buyer shall deliver to Plains Marketing (on behalf of Sellers), by wire transfer of immediately available funds to an account (designated by Plains Marketing to Buyer in writing prior to the Execution Date), a deposit against the Purchase Price in an amount equal to REDACTED (the "***Deposit***"). If Closing does not occur and the Agreement is terminated, the Deposit shall either be retained by Sellers or returned to Buyer in accordance with the terms of Section 10.2. If Closing does occur, the Deposit shall be retained by Sellers and applied to the Purchase Price.

1.4 Closing Date Payment.

(a) At the Closing, Buyer shall pay to Plains Marketing (on behalf of Sellers), in immediately available funds by wire transfer to an account designated by Plains Marketing no later than three (3) Business Days prior to the Closing Date, the Closing Date Payment.

(b) Not later than three (3) Business Days prior to the Closing Date, Sellers shall deliver to Buyer a statement setting forth Sellers' good faith estimate, as of the Effective Time, of (i) the Closing Date Payment, (ii) the Closing Indebtedness and components thereof (the "***Estimated Closing Indebtedness***"), (iii) the Estimated Special Permit Repair Adjustment Amount, and (iv) the Inventory Value measured by Sellers in accordance with the procedures set forth in Schedule 2.5 (the "***Estimated Inventory Value***"), which procedures will include a relevant price index and valuation formula (the "***Inventory Methodology***"), together with reasonable supporting documentation.

ARTICLE II
CLOSING

2.1 Closing. The closing of the Transaction (the "***Closing***") shall be held at the offices of Seller, 333 Clay Street, Suite 1600, Houston, Texas 77002 at 10:00 a.m. on the first Business Day of the month immediately following the Condition Completion Date, or such other place, time or date as may be agreed upon by the Parties, assuming the Condition Completion Date has occurred at least four (4) Business Days prior to the first Business Day of the succeeding month. If the Condition Completion Date has occurred within such four (4) Business Day period, the Closing shall occur on the fifteenth (15th) day of the succeeding month if such day is a Business Day or the closest Business Day to the fifteenth (15th) day. The date on which the Closing takes place is referred to herein as the "***Closing Date***." The Closing shall be deemed to be effective as of 12:11 a.m. (Central Time) on the Closing Date (the "***Effective Time***").

2.2 Deliveries by Sellers. At the Closing, Sellers shall deliver, or cause to be delivered, to Buyer the following (collectively, the "***Seller Deliverables***"):

(a) a counterpart to the Assignment of Acquired Interests substantially in the form of Exhibit B (the "***Assignment of Acquired Interests***"), duly executed by Sellers;

(b) a counterpart to the Transition Services Agreement substantially in the form of Exhibit C (the "***Transition Services Agreement***"), duly executed by Plains Marketing;

(c) a certificate dated as of the Closing Date, certifying that the conditions set forth in Section 9.2(a) and Section 9.2(b) have been fulfilled, substantially in the form of Exhibit D, duly executed by each Seller;

(d) certification of non-foreign status (as described in U.S. Treasury Regulations Section 1.1445-2(b)(2)), substantially in the form of Exhibit E, duly executed by Plains All American;

(e) a lease agreement with respect to certain office space located at Cherry Avenue, in a commercially reasonable form reasonably acceptable to the Parties and otherwise including the lease terms listed in Exhibit F, duly executed by an Affiliate of Sellers;

(f) a duly executed and acknowledged release and reconveyance of that certain Deed of Trust, Mortgage, Assignment, Security Agreement, Fixture Filing and Financing Statement. dated as of June 11, 2004, by and among Pacific Terminals, LLC, as mortgagor, Chicago Title Insurance Company, as trustee, and Pacific Energy, as lender, in form and substance reasonably satisfactory to Buyer and in any event satisfactory to release the lien of record of such Deed of Trust;

(g) resignations of, and releases from, each of the individuals who serves as an officer or manager of any member of the Acquired Group in his or her capacity as such;

(h) a duly executed Assignment and Assumption Agreement pursuant to which Sellers or an Affiliate thereof will assume from the Acquired Group, all of the Seller Assumed Liabilities (other than the Excluded Liabilities), in the form attached hereto as Exhibit G (the "***Assignment and Assumption of Seller Assumed Liabilities***");

(i) the Reorganization Agreement, duly executed by all of the parties thereto; and

(j) any other documents, instruments or agreements contemplated hereby or reasonably necessary or appropriate to consummate the Transaction, and in a form reasonably acceptable to Sellers and Buyer (it being understood that such instruments shall not require Sellers or Buyer or any other Person to make any additional representations, warranties or covenants, express or implied, not contained in or as contemplated by this Agreement or the Ancillary Agreements).

2.3 Deliveries by Buyer. At the Closing, Buyer shall deliver, or cause to be delivered, to Sellers the following (collectively, the "***Buyer Deliverables***"):

(a) the Closing Date Payment;

(b) a counterpart to the Assignment of Acquired Interests, duly executed by Buyer;

(c) a counterpart to the Transition Services Agreement, duly executed by Buyer;

(d) a certificate dated as of the Closing Date, certifying that the conditions set forth in Sections 9.3(a) and 9.3(b) have been fulfilled, substantially in the form of Exhibit H, duly executed by Buyer; and

(e) any other documents, instruments or agreements contemplated hereby or reasonably necessary or appropriate to consummate the Transaction, and in a form reasonably acceptable to Buyer and Sellers (it being understood that such instruments shall not require Buyer or Sellers or any other Person to make any additional representations, warranties or covenants, express or implied, not contained in or as contemplated by this Agreement or the Ancillary Agreements).

2.4 Closing Costs; Transfer Taxes and Fees.

(a) Allocation of Costs. All sales, transfer, use, stamp, registration and similar Taxes, if any, arising out of the sale of the Acquired Interests to Buyer (collectively, "***Acquisition Transfer Taxes***") shall be borne by Buyer. All documentary, filing and recording fees and expenses and all sales, transfer, use, stamp, registration and similar Taxes, if any, arising out of the transactions contemplated by the Reorganization Agreement (collectively, "***Reorganization Transfer Taxes***") shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Sellers. The Parties shall reasonably cooperate in the timely preparation and filing of any required Tax Returns with respect to any Acquisition Transfer Taxes or Reorganization Transfer Taxes incurred by reason of the Transaction. The Parties agree to reasonably cooperate with each other (at their own expense) in connection with the preparation and filing of such Tax Returns, in obtaining all available exemptions from such Acquisition Transfer Taxes or Reorganization Transfer Taxes, and in timely providing each other with resale certificates and any other documents reasonably necessary to satisfy any such exemptions.

(b) Reimbursement. If a Party pays any Acquisition Transfer Tax or Reorganization Transfer Tax agreed to be borne by the other Party under this Section 2.4, such other Party shall promptly (and in any event within fifteen (15) Business Days after receipt of notice thereof) reimburse the paying Party for the amounts so paid. If a Party receives any refund of an Acquisition Transfer Tax or Reorganization Transfer Tax economically borne by the other Party, the receiving Party shall promptly (and in any event within fifteen (15) Business Days after receipt thereof) pay such amounts to such other Party (less any costs incurred by the receiving Party in obtaining such refund).

2.5 Inventory. Sellers shall cause AmSpec Services, LLC or such other independent inspector as the Parties may mutually agree in writing (the "***Inspector***") to measure the Inventory at the Effective Time in accordance with the Inventory Methodology and, as promptly as practicable, but in any event no later than thirty (30) days after the Closing Date, prepare and deliver to the Parties a report setting forth the aggregate volume of all Inventory, which will specify (a) line fill owned by the Acquired Group, (b) line fill owned by Third Parties, (c) other volumes owned by the Acquired Group and (d) other volumes owned by Third Parties, in each case, determined in accordance with the Inventory Methodology, and within fifteen (15) days of Sellers'

receipt of the Inspector's report, Sellers shall deliver or cause to be delivered to Buyer a written statement (including all calculations necessary to such determination) setting forth the aggregate value of the Inventory, determined based on the aggregate volumes set forth in the Inspector's report and in accordance with the Inventory Methodology (such amount, the "***Final Inventory Value***"). For the avoidance of doubt, the items described in subclauses (b) and (d) of the preceding sentence shall not be considered "Inventory" for purposes of this Agreement. All costs and expenses of the Inspector shall be paid fifty percent (50%) by Buyer fifty percent (50%) by Sellers.

2.6 Payment of Post-Closing Inventory Adjustment.

(a) If the Estimated Inventory Value exceeds the Final Inventory Value, Sellers shall pay, or cause to be paid, to Buyer or its designee (via wire transfer to an account specified in writing by Buyer), within five (5) Business Days after the Final Inventory Value has been finally determined, an amount equal to such excess.

(b) If the Final Inventory Value exceeds the Estimated Inventory Value, Buyer shall pay, or cause to be paid, to Plains Marketing (on behalf of Sellers) (via wire transfer to an account specified in writing by Plains Marketing), within five (5) Business Days after the Final Inventory Value has been determined, an amount equal to such excess.

(c) If the Final Inventory Value equals the Estimated Inventory Value, no Party shall be required to make any additional payments pursuant to this Section 2.6.

(d) Unless otherwise required by Law, the Parties agree to treat any payments made under this Section 2.6 as adjustments to the Purchase Price for all applicable Tax purposes.

2.7 Post-Closing Purchase Price Adjustment.

(a) Not later than one hundred twenty (120) days after the Closing Date, Sellers shall deliver to Buyer (i) a statement setting forth, in reasonable detail, Sellers' calculation of the Net Working Capital Adjustment Amount and the Closing Indebtedness each as of the Effective Time (the "***Post-Closing Statement***") and (ii) the Unaudited Closing Balance Sheet.

(b) Buyer shall have sixty (60) days from the date Sellers deliver the Post-Closing Statement to Buyer (such period, the "***Dispute Period***") to notify Sellers in writing as to whether Buyer agrees or disagrees with Sellers' calculation of the Net Working Capital Adjustment Amount or the Closing Indebtedness in the Post-Closing Statement (such written notice, the "***Dispute Notice***"). During the Dispute Period, following Buyer's reasonable written request, Buyer and its accountants shall be permitted to review (during regular business hours and upon reasonable prior notice), at Buyer's sole cost and expense, the Books and Records relating to the Post-Closing Statement.

(c) If Buyer fails to deliver a Dispute Notice to Sellers prior to the expiration of the Dispute Period, then Sellers' calculation of the Net Working Capital Adjustment Amount and the Closing Indebtedness in the Post-Closing Statement shall be deemed to be the Final Net Working Capital Adjustment Amount and the Final Closing Indebtedness and shall be binding upon the Parties.

(d) If Buyer delivers a Dispute Notice to Sellers during the Dispute Period, then the Parties shall, for a period of forty-five (45) days from the date Buyer delivers the Dispute Notice to Sellers (such period, the "***Resolution Period***"), use commercially reasonable efforts to amicably resolve the items in dispute (the "***Disputed Items***") and determine the Final Net Working Capital Adjustment Amount and the Final Closing Indebtedness. Any Disputed Items so resolved by the Parties shall be deemed to be final and correct as so resolved and shall be binding upon the Parties.

(e) If the Parties are unable to resolve all of the Disputed Items during the Resolution Period, then Buyer or Sellers may refer the remaining Disputed Items (the "***Remaining Items***") to a U.S. nationally recognized, independent accounting firm that is mutually agreed to by the Parties, or if the Parties are unable to mutually agree, to the Houston, Texas office of Ernst & Young LLP (the "***Independent Accountant***"). Such referral shall be made in writing to the Independent Accountant, copies of which shall concurrently be delivered to the non-referring Party or Parties. The referring Party or Parties shall furnish the Independent Accountant, on the date of such referral (the "***Referral Date***"), with the Post-Closing Statement, the Dispute Notice and any Disputed Items previously resolved by the Parties pursuant to Section 2.7(d). The Parties shall also furnish the Independent Accountant with such other information and documents as the Independent Accountant may reasonably request for purposes of resolving the Remaining Items and determining the Final Net Working Capital Adjustment Amount and the Final Closing Indebtedness. Additionally, within five days after the Referral Date, each of the Parties shall provide the Independent Accountant with a written statement (a "***Position Statement***") describing in reasonable detail their respective positions regarding the Remaining Items (copies of which shall concurrently be delivered to the other Parties). If Buyer or Sellers fails to timely deliver its Position Statement to the Independent Accountant, the Independent Accountant shall resolve the Remaining Items solely upon the basis of the information otherwise timely provided to the Independent Accountant in accordance with this Section 2.7(e). The Independent Accountant shall make a written determination as to the Remaining Items and the Final Net Working Capital Adjustment Amount and the Final Closing Indebtedness and deliver such written determination to the Parties within 30 days after the Referral Date; *provided*, *however*, that any delay in delivering such determination shall not invalidate such determination or deprive the Independent Accountant of jurisdiction to resolve the Remaining Items. In no event shall the Independent Accountant assign a value to any Remaining Item that is greater than the highest, or less than the lowest, calculation thereof proposed by the Parties. The Independent Accountant's determination as to the Remaining Items and the Final Net Working Capital Adjustment Amount and the Final Closing Indebtedness shall be final and binding upon the Parties and shall not be subject to judicial review. The costs, fees and expenses of the Independent Accountant shall be paid by Sellers, on the one hand, and Buyer, on the other hand, based on the degree to which the Independent Accountant's determination of the Remaining Items accepts such Parties' respective positions with respect thereto. For example, if Sellers' position is that the aggregate amount of the Remaining Items is $300, Buyer's position is that the aggregate amount of the Remaining Items is $100 and the Independent Accountant determines that the aggregate amount of the Remaining Items is $150, then Sellers shall pay 75% ($300 - $150 / $300 - $100) and Buyer shall pay 25% ($150 - $100 / $300 - $100), respectively, of the Independent Accountant's costs, fees and expenses.

(f) The Net Working Capital Adjustment Amount and the Closing Indebtedness that is finally determined in accordance with this Section 2.7 shall be the "***Final Net Working Capital Adjustment Amount***," and the "***Final Closing Indebtedness***" respectively.

2.8 Post-Closing Special Permit Repair Amount Adjustment.

(a) No later than thirty (30) days after the second (2nd) anniversary of the Closing Date (the "***Special Permit True Up Date***"), Sellers shall deliver to Buyer a statement setting forth their calculation of the Seller Special Permit Expenditure Amount along with reasonable supporting documentation. No later than sixty (60) days following the Special Permit True Up Date, Buyer shall deliver to Sellers a statement setting forth, in reasonable detail, Buyer's calculation of the Special Permit Repair Adjustment Amount (including any Buyer adjustment to the Sellers' calculation of the Seller Special Permit Expenditure Amount) as of the Special Permit True Up Date (the "***Special Permit Expenditure Statement***").

(b) Sellers shall have sixty (60) days from the date Buyer delivers the Special Permit Expenditure Statement to Sellers (such period, the "***Special Permit Dispute Period***") to notify Buyer in writing as to whether Sellers agree or disagree with Buyer's determination and calculation of the Special Permit Repair Adjustment Amount (including any Buyer adjustment to the Sellers' calculation of the Seller Special Permit Expenditure Amount) in the Special Permit Expenditure Statement (such written notice, the "***Special Permit Dispute Notice***"). During the Special Permit Dispute Period, following Sellers' reasonable written request, Sellers and their Representatives shall be permitted to review (during regular business hours and upon reasonable prior notice), at Sellers' sole cost and expense, the Books and Records relating to the Special Permit Expenditure Statement (including all Books and Records applicable to the determination and calculation of the Special Permit Repair Amount and the Seller Special Permit Expenditure Amount).

(c) If Sellers fail to deliver a Special Permit Dispute Notice to Buyer prior to the expiration of the Special Permit Dispute Period, then Buyer's calculation of the Special Permit Repair Adjustment Amount in the Special Permit Expenditure Statement shall be deemed to be the Final Special Permit Repair Adjustment Amount and shall be binding upon the Parties.

(d) If Sellers deliver a Special Permit Dispute Notice to Buyer during the Special Permit Dispute Period, then the Parties shall, for a period of forty-five (45) days from the date Sellers deliver the Special Permit Dispute Notice to Buyer (such period, the "***Special Permit Resolution Period***"), use commercially reasonable efforts to amicably resolve the items in dispute (the "***Special Permit Disputed Items***") and determine the Final Special Permit Repair Adjustment Amount. Any Special Permit Disputed Items so resolved by the Parties shall be deemed to be final and correct as so resolved and shall be binding upon the Parties.

(e) If the Parties are unable to resolve all of the Special Permit Disputed Items during the Resolution Period, then Buyer or Sellers may refer the remaining Special Permit Disputed Items (the "***Special Permit Remaining Items***") to the Independent Engineer. Such referral shall be made in writing to the Independent Engineer, copies of which shall concurrently be delivered to the non-referring Party or Parties. The referring Party or Parties shall furnish the Independent Engineer, on the date of such referral (the "***Special Permit Referral Date***"), with the

Special Permit Expenditure Statement, the Special Permit Dispute Notice and any Special Permit Disputed Items previously resolved by the Parties pursuant to Section 2.8(d). The Parties shall also furnish the Independent Engineer with such other information and documents as the Independent Engineer may reasonably request for purposes of resolving the Special Permit Remaining Items and determining the Final Special Permit Repair Adjustment Amount. Additionally, within five (5) days after the Special Permit Referral Date, Buyer and Sellers shall each provide the Independent Engineer with a written statement (a "***Special Permit Position Statement***") describing in reasonable detail their respective positions regarding the Special Permit Remaining Items (copies of which shall concurrently be delivered to the other Parties). If Buyer or Sellers fails to timely deliver its Special Permit Position Statement to the Independent Engineer, the Independent Engineer shall resolve the Special Permit Remaining Items solely upon the basis of the information otherwise timely provided to the Independent Engineer in accordance with this Section 2.8(e). The Independent Engineer shall make a written determination as to the Special Permit Remaining Items and the Final Special Permit Repair Adjustment Amount and deliver such written determination to the Parties within thirty (30) days after the Special Permit Referral Date; *provided*, *however*, that any delay in delivering such determination shall not invalidate such determination or deprive the Independent Engineer of jurisdiction to resolve the Special Permit Remaining Items. In no event shall the Independent Engineer assign a value to any Special Permit Remaining Item that is greater than the highest, or less than the lowest, calculation thereof proposed by the Parties. The Independent Engineer's determination as to the Special Permit Remaining Items and the Final Special Permit Repair Adjustment Amount shall be final and binding upon the Parties and shall not be subject to judicial review. The costs, fees and expenses of the Independent Engineer shall be paid by Sellers, on the one hand, and Buyer, on the other hand, based on the degree to which the Independent Engineer's determination of the Special Permit Remaining Items accepts such Parties' respective positions with respect thereto. For example, if Sellers' position is that the aggregate amount of the Special Remaining Items is $300, Buyer's position is that the aggregate amount of the Special Remaining Items is $100 and the Independent Engineer determines that the aggregate amount of the Special Remaining Items is $150, then Sellers shall pay 75% ($300 - $150 / $300 - $100) and Buyer shall pay 25% ($150 - $100 / $300 - $100), respectively, of the Independent Engineer's costs, fees and expenses.

(f) The Special Permit Repair Adjustment Amount that is finally determined in accordance with this Section 2.8 shall be the "***Final Special Permit Repair Adjustment Amount***."

2.9 Payment of Post-Closing Adjustments.

(a) Following the final determination of the Final Net Working Capital Adjustment Amount pursuant to Section 2.7:

(i) if the Final Net Working Capital Adjustment Amount is less than zero, Sellers shall promptly (but in any event within five (5) Business Days after the final determination of the Final Net Working Capital Adjustment Amount pursuant to Section 2.7) pay to Buyer an amount equal to the absolute value of the Final Net Working Capital Adjustment Amount by wire transfer of immediately available funds to an account designated by Buyer in writing;

(ii) if the Final Net Working Capital Adjustment Amount exceeds zero, Buyer shall promptly (but in any event within five (5) Business Days after the final determination of the Final Net Working Capital Adjustment Amount pursuant to Section 2.7) pay to Plains Marketing (on behalf of Sellers) an amount equal to such excess by wire transfer of immediately available funds to an account designated by Plains Marketing in writing;

(iii) if the Final Net Working Capital Adjustment Amount equals zero, no Party shall be required to make any additional payments pursuant to this Section 2.9(a); and

(iv) to the extent there are any Aged Accounts Receivable that are excluded from Current Assets for purposes of the Final Net Working Capital Adjustment Amount finally determined pursuant to Section 2.7, then Buyer shall, and shall cause its Affiliates (including the Acquired Group) to (A) promptly (but in any event within five (5) Business Days after the final determination of the Final Net Working Capital Adjustment Amount pursuant to Section 2.7) assign to Sellers (or an Affiliate of Sellers designated thereby) any and all of Buyer's and its Affiliates' (including the Acquired Group's) right, title and interest in and to the Aged Accounts Receivable, and (B) following such assignment, reasonably cooperate with Sellers and their Affiliates in connection with the collection of such Aged Accounts Receivable.

(b) Following the final determination of the Final Closing Indebtedness pursuant to Section 2.7:

(i) if the Final Closing Indebtedness exceeds the Estimated Closing Indebtedness, Sellers shall promptly (but in any event within five (5) Business Days after the final determination of the Final Closing Indebtedness pursuant to Section 2.7) pay to Buyer an amount equal to such excess by wire transfer of immediately available funds to an account designated by Buyer in writing;

(ii) if the Estimated Closing Indebtedness exceeds the Final Closing Indebtedness, Buyer shall promptly (but in any event within five (5) Business Days after the final determination of the Final Closing Indebtedness pursuant to Section 2.7) pay to Plains Marketing (on behalf of Sellers) an amount equal to such excess by wire transfer of immediately available funds to an account designated by Plains Marketing in writing; and

(iii) if the Final Closing Indebtedness equals the Estimated Closing Indebtedness, no Party shall be required to make any additional payments pursuant to this Section 2.9(b).

(c) Following the final determination of the Final Special Permit Repair Adjustment Amount pursuant to Section 2.8:

(i) if the Final Special Permit Repair Adjustment Amount exceeds the Estimated Special Permit Repair Adjustment Amount, Sellers shall promptly (but in any event within five (5) Business Days after the final determination of the Final Special Permit Repair Adjustment Amount pursuant to Section 2.8) pay to Buyer an amount equal to such excess by wire transfer of immediately available funds to an account designated by Buyer in writing;

(ii) if the Estimated Special Permit Repair Adjustment Amount exceeds the Final Special Permit Repair Adjustment Amount, Buyer shall promptly (but in any event within five (5) Business Days after the final determination of the Final Special Permit Repair Adjustment Amount pursuant to Section 2.8) pay to Plains Marketing (on behalf of Sellers) an amount equal to such excess by wire transfer of immediately available funds to an account designated by Plains Marketing in writing; and

(iii) if the Final Special Permit Repair Adjustment Amount equals the Estimated Special Permit Repair Adjustment Amount, no Party shall be required to make any additional payments pursuant to this Section 2.9(c).

(d) Notwithstanding the foregoing, to the extent a Party or Parties are (i) required to make a payment to the other Party or Parties pursuant to clause (a) or clause (b) of this Section 2.9, and (ii) entitled to receive a payment pursuant to clause (a) or clause (b) of this Section 2.9, such payments shall be offset, and the excess amount following such offset shall be paid by the applicable Party or Parties to the other Party or Parties in accordance with this Section 2.9.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth on the Disclosure Schedule, Sellers hereby jointly and severally represent and warrant to Buyer as follows as of the Execution Date and as of the Effective Time:

3.1 Organization. Each Seller is a limited partnership duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation and has the requisite power to own, lease and operate its properties and assets and to carry on its business as now being conducted. Each Seller is duly qualified to do business and in good standing as a foreign limited partnership in California and each of the other states in which it has assets or conducts activities which require it to be so qualified or in good standing, except where the failure to be so qualified or in good standing in such other states would not reasonably be expected to have a Material Adverse Effect. Each member of the Acquired Group is a limited liability company duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation and has the requisite power to own, lease and operate its properties and assets and to carry on its business as now being conducted. Each member of the Acquired Group is duly qualified to do business and in good standing as a foreign limited liability company in California and each of the other states in which it has assets or conducts activities which require it to be so qualified or in good standing, except where the failure to be so qualified or in good standing in such other states would not reasonably be expected to have a Material Adverse Effect.

3.2 Authorization. Each Seller has full limited partnership power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is party and consummate the Transaction. Each Seller has taken all limited partnership action required to authorize the execution, delivery and performance of this Agreement and the Ancillary Agreements and the consummation of the Transaction. This Agreement has been duly executed and delivered by each Seller and, assuming due authorization, execution and delivery by Buyer, constitutes a legal, valid and binding obligation of each Seller, enforceable against each Seller in

accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar Laws now or hereafter in effect relating to creditors' rights generally and general principles of equity, regardless of whether enforceability is considered in a proceeding at law or in equity (collectively, the "***Creditor's Rights Exception***"). The Ancillary Agreements shall, on the Closing Date, be duly and validly executed by each Seller and Seller Affiliate that is a party thereto and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of each Seller and any such Seller Affiliate that is a party thereto, enforceable against each Seller or such Seller Affiliate in accordance with their respective terms, except for the Creditor's Rights Exception.

3.3 No Conflicts; Consents. Except for and subject to obtaining the Consents set forth on Schedule 3.3(a) (the "***Seller Consents***"), which include all Consents necessary for consummation of the Transaction other than the Buyer Consents, the execution, delivery and performance by each Seller of this Agreement and the Ancillary Agreements do not, and the consummation of the Transaction will not, (a) violate, conflict with, or result in any breach of any provision of the Governing Documents of any member of any Seller or any member of the Acquired Group, (b) violate, conflict with or result in a violation or breach of, or constitute a default under, any of the material terms, conditions or provisions of any Material Contract or material Permit related to a Seller with respect to the Business, any member of the Acquired Group or the Business, or (c) to the Knowledge of Sellers, violate in any material respect any applicable Law related to a Seller with respect to the Business, any member of the Acquired Group or the Business.

3.4 Compliance With Laws and Permits. Except as set forth on Schedule 3.4, the Acquired Group operates, and for the prior three (3) years has operated, the Business in material compliance with all applicable Laws and Permits. Except as set forth on Schedule 3.4, no Seller, or any member of the Acquired Group, has received notice of any investigation or review by any Governmental Entity with respect to a Seller relating to the Business, a member of the Acquired Group, or the Business, that is pending. To the Knowledge of Sellers, no investigation or review by any Governmental Entity relating to a Seller with respect to the Business, any member of the Acquired Group or the Business is threatened which, if resolved adversely to a Seller, any member of the Acquired Group or the Business, would reasonably be expected to have a Material Adverse Effect. Notwithstanding anything herein to the contrary, Sellers make no representation or warranty, express or implied, under this Section 3.4 relating to any (i) Tax matters, which are exclusively addressed in Section 3.8 and Section 3.14, (ii) environmental matters (including Environmental Permits and Environmental Laws), which are exclusively addressed in Section 3.9, or (iii) real estate matters, which are exclusively addressed in Section 3.11 and Section 3.20.

3.5 Acquired Interests; Subsidiary Interests; Capitalization.

(a) Each Seller has good title to, holds of record and owns beneficially the Acquired Interests set forth opposite its name on Schedule 3.5, free and clear of any Liens (other than (i) restrictions on transfer that may be imposed by state or federal securities Laws and (ii) restrictions on transfer that are set forth in the Governing Documents of the Acquired Entities, all of which have been waived or complied with to the extent necessary to consummate the Transaction). The Acquired Interests set forth on Schedule 3.5 collectively constitute all of the

issued and outstanding equity interests of the Acquired Entities. The Acquired Interests have been duly authorized and validly issued, and were not issued in violation of any purchase option, call option, right of first refusal or preemptive right. There are (A) no outstanding obligations of the Acquired Entities to repurchase, redeem or otherwise acquire any of the Acquired Interests, (B) no options, appreciation rights, warrants, convertible securities, unit appreciation, phantom unit, profit participation or other rights, agreements, arrangements or commitments of any character relating to the membership interests (or other equity interests) of the Acquired Entities or obligating the Acquired Entities to issue or sell any membership interests (or other equity interests) of the Acquired Entities, (C) no voting trusts or other voting or similar agreements or understandings with respect to the Acquired Entities or the Acquired Interests, and (D) no restrictions or limitations on distributions, dividends or returns on equity related to the Acquired Interests.

(b) As of the Execution Date:

(i) Plains All American has good title to, holds of record and owns beneficially, directly or indirectly, 100% of the membership interests or partnership interests, as applicable of each member of the Acquired Group and each party to the Reorganization Agreement.

(ii) Pacific Energy has good title to, holds of record and owns beneficially 100% of the membership interests (collectively, the "***PEG Execution Date Interests***") in each of: (A) the Acquired Subsidiary (the "***Subsidiary Interests***"), (B) Pacific Pipeline and (C) Rocky Mountain (the entities in clauses (A) through (C), collectively, the "***PEG Execution Date Subsidiaries***"), in each case, free and clear of any Liens (other than (1) restrictions on transfer that may be imposed by state or federal securities Laws and (2) restrictions on transfer that are set forth in the Governing Documents of the applicable entity (all of which have been waived or complied with to the extent necessary to consummate the Transaction));

(iii) the PEG Execution Date Interests (A) constitute all of the issued and outstanding membership interests of the PEG Execution Date Subsidiaries and (B) have been duly authorized, validly issued and were not issued in violation of any purchase option, call option, right of first refusal or preemptive right;

(iv) there are (A) no outstanding obligations of the PEG Execution Date Subsidiaries to repurchase, redeem or otherwise acquire any of the PEG Execution Date Interests, (B) no options, appreciation rights, warrants, convertible securities, unit appreciation, phantom unit, profit participation or other rights, agreements, arrangements or commitments of any character relating to the membership interests (or other equity interests) of the PEG Execution Date Subsidiaries or obligating the PEG Execution Date Subsidiaries to issue or sell any membership interests (or other equity interests) of the PEG Execution Date Subsidiaries, (C) no voting trusts or other voting or similar agreements or understandings with respect to the PEG Execution Date Subsidiaries or the PEG Execution Date Interests, and (D) no restrictions or limitations on distributions, dividends or returns on equity related to the PEG Execution Date Interests; and

(v) other than the PEG Execution Date Interests, the Acquired Entities do not own any direct or indirect equity ownership, participation or voting right or interest in any other Person (including any Contract in the nature of a voting trust or similar agreement or understanding or indebtedness having general voting rights) or any options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights, stock appreciation rights, phantom stock, profit participation or other similar rights or Contracts in or issued by any other Person.

(c) As of the Effective Time:

(i) Pacific Energy will have good title to, hold of record and own beneficially 100% of the Subsidiary Interests, free and clear of any Liens (other than (A) restrictions on transfer that may be imposed by state or federal securities Laws and (B) restrictions on transfer that are set forth in the Governing Documents of the Acquired Subsidiary (all of which have been waived or complied with to the extent necessary to consummate the Transaction));

(ii) the Subsidiary Interests will constitute all of the issued and outstanding membership interests of the Acquired Subsidiary;

(iii) the Subsidiary Interests will have been duly authorized, validly issued and were not issued in violation of any purchase option, call option, right of first refusal or preemptive right, and there will be (A) no outstanding obligations of the Acquired Subsidiary to repurchase, redeem or otherwise acquire any of the Subsidiary Interests, (B) no options, appreciation rights, warrants, convertible securities, unit appreciation, phantom unit, profit participation or other rights, agreements, arrangements or commitments of any character relating to the membership interests (or other equity interests) of the Acquired Subsidiary or obligating the Acquired Subsidiary to issue or sell any membership interests (or other equity interests) of the Acquired Subsidiary, (C) no voting trusts or other voting or similar agreements or understandings with respect to the Acquired Subsidiary or the Subsidiary Interests, and (D) no restrictions or limitations on distributions, dividends or returns on equity related to the Subsidiary Interests;

(iv) other than the Subsidiary Interests, the Acquired Entities will not own any direct or indirect equity ownership, participation or voting right or interest in any other Person (including any Contract in the nature of a voting trust or similar agreement or understanding or indebtedness having general voting rights) or any options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights, stock appreciation rights, phantom stock, profit participation or other similar rights or Contracts in or issued by any other Person;

(d) Sellers will convey to Buyer pursuant to the Assignment of Acquired Interests, good and valid title to the Acquired Interests, free and clear of any Liens (other than (i) restrictions on transfer that may be imposed by state or federal securities Laws and (ii) restrictions on transfer that are set forth in the Governing Documents of the Acquired Entities, all of which have been waived or complied with to the extent necessary to consummate the Transaction).

(e) True, correct and complete copies of all Governing Documents of the Acquired Group have been made available to Buyer.

3.6 Absence of Litigation. Except as set forth on Schedule 3.6, there is no Action pending or, to the Knowledge of Sellers, threatened, against a Seller with respect to the Business or any member of the Acquired Group, or challenging the Transaction. Notwithstanding anything herein to the contrary, Sellers make no representation or warranty, express or implied, under this Section 3.6 relating to any Action involving (a) Tax matters, which are exclusively addressed in Section 3.8 and Section 3.14, (b) environmental matters (including Environmental Permits and Environmental Laws), which are exclusively addressed in Section 3.9, or (c) real estate matters, which are exclusively addressed in Section 3.11 and Section 3.20.

3.7 Contracts.

(a) True, correct and complete copies of all Material Contracts have been provided to Buyer. Schedule 3.7(a) sets forth all Material Contracts. Sellers have made available to Buyer a true, correct and complete copy of the Huntington PSA. Neither that certain Facilities Services Agreement, dated July 31, 2003, between Southern California Edison Company and Pacific Terminals LLC, nor that certain Partial Assignment and Assumption of Facility Services Agreement, dated July 31, 2003, between Southern California Edison Company and Pacific Terminals LLC, in each case, referenced in Section 5.1.4(a) of the Huntington PSA, have been terminated as of the Execution Date.

(b) Except as disclosed on Schedule 3.7(b), (i) each Material Contract is in full force and effect and constitutes a valid and binding agreement of the applicable member of the Acquired Group, enforceable in accordance with its terms, except for the Creditor's Rights Exception, (ii) no member of the Acquired Group is in material breach of or default under any Material Contract, (iii) to the Knowledge of Sellers, no other party to any Material Contract is in breach of or default under such Material Contract and (iv) no member of the Acquired Group has received any written notice from any other party to any Material Contract or any other Person that alleges any violation, breach or default by such member of the Acquired Group of any Material Contract.

3.8 Taxes. Except as set forth on Schedule 3.8:

(a) all material Tax Returns required to be filed by each member of the Acquired Group have been duly and timely filed (taking into account applicable extensions) and all such Tax Returns are correct and complete in all material respects;

(b) all material Taxes owed by each member of the Acquired Group that have become due and payable have been paid in full, and all Tax withholding, deposit and reporting requirements imposed on each member of the Acquired Group have been satisfied in all material respects (including, for the avoidance of doubt, withholding, deposit and reporting requirements in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder or other Third Party);

(c) there is no Action pending or in progress against any member of the Acquired Group for any Taxes, and no assessment, deficiency, or adjustment has been asserted,

proposed, or threatened in writing with respect to any Taxes of any member of the Acquired Group, in each case, that remains outstanding;

(d) there is not in force any extension or waiver of the statute of limitations with respect to the collection or assessment of any Taxes, or any extension of time for the filing of any Tax Return, of any member of the Acquired Group, and no such waiver or extension has been requested;

(e) each member of the Acquired Group is classified as an entity disregarded as separate from its owner for U.S. federal income tax purposes;

(f) there are no Liens encumbering any assets of any member of the Acquired Group or the Acquired Interests (in each case, other than Permitted Liens) that arose in connection with any failure (or alleged failure) to pay any Tax;

(g) no ruling or determination has been received or requested by any Seller or any member of the Acquired Group with respect to any Taxes of any member of the Acquired Group;

(h) no member of the Acquired Group has liability for Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law) or as a transferee or successor, by contract or otherwise (other than the members of the Seller Consolidated Group);

(i) no written claim (or to the Knowledge of Sellers, any other claim) has been made by any Taxing Authority in a jurisdiction in which a member of the Acquired Group does not file Tax Returns that such member of the Acquired Group is or may be subject to taxation by that jurisdiction; and

(j) no member of the Acquired Group is a party to a tax allocation or tax sharing agreement or tax indemnity or similar arrangement (in each case, other than any commercial agreements or contracts that do not relate primarily to Taxes).

Notwithstanding any other provision in this Agreement, (i) the representations and warranties in this Section 3.8 and in Section 3.14 are the only representations and warranties of Sellers in this Agreement with respect to Tax matters and (ii) neither Buyer nor any of its Affiliates (including, after the Closing, the Acquired Group) may rely on any of the representations and warranties in this Section 3.8 with respect to any position by Buyer (or any Affiliate thereof) taken in any Tax period ending after the Closing Date.

3.9 Environmental Matters.

(a) Actions. Except as set forth on Schedule 3.9(a), no member of the Acquired Group has received any written notice, report, Order, directive or request for information from a Governmental Entity, and there are no Actions pending or, to the Knowledge of Sellers, threatened against a Seller with respect to the Business, any member of the Acquired Group, the assets or properties of the Acquired Group, or any other Person relating to the Business, in each case, regarding any violation of, or liability under, Environmental Laws that remains pending or

unresolved, or with respect to which any member of the Acquired Group has any material outstanding obligations.

(b) Compliance.

(i) Set forth on Schedule 3.9(b)(i) is a true, correct and complete list of the material Permits (including Environmental Permits) held by the Acquired Group or their Affiliates, which includes all Permits (including Environmental Permits) necessary or required for the lawful ownership, occupancy and operation of the Business.

(ii) Except as set forth on Schedule 3.9(b)(ii), the Acquired Group and the Business are, and for the prior three (3) years have been, in compliance in all material respects with all Environmental Laws and Environmental Permits.

(iii) None of the assets or properties of the Acquired Group are encumbered by a Lien (other than a Permitted Lien) arising or imposed under Environmental Laws.

(c) Except as set forth on Schedule 3.9(c), to the Knowledge of Sellers, no material Release is occurring or has occurred at or from the Business, or any assets or properties of the Acquired Group, including the Pipelines and Inactive Pipelines, and there has been no Release of a Hazardous Material at any facility now operated by the Acquired Group (or any predecessor thereof) or at any Third Party-owned or operated location, for which the Acquired Group may be responsible, or at any facility formerly owned or operated by the Acquired Group (or any predecessor thereof), in each case, for which the Acquired Group may be responsible and that would reasonably be expected to give rise to material liability under any Environmental Law.

(d) Sellers have provided Buyer with an opportunity to review (and have made available copies of) (i) all written environmental assessments and reports prepared during the five (5) years immediately prior to the Execution Date in respect of any assets or properties of the Acquired Group that are in the possession or reasonable control of Sellers or their respective Affiliates, including any such assessments or reports that contain material information about Hazardous Materials, remediation or compliance with Environmental Laws, and (ii) all material documents, to Sellers' Knowledge, that have been exchanged between Sellers or any of their Affiliates and OSFM or PHMSA during the five (5) years preceding the Execution Date regarding compliance with any Environmental Laws with respect to any assets or properties of the Acquired Group;

(e) Except as set forth on Schedule 3.9(e), (i) each Environmental Permit is valid and in full force and effect, and (ii) there are no proceedings pending or, to the Knowledge of Sellers, threatened in writing that would reasonably be expected to result in the revocation, material modification or termination of any Environmental Permit.

(f) Schedule 7.14 sets forth all repairs and anomalies identified by Sellers that are required to be completed or remediated, as applicable, on the PWCT Pipeline System under Sellers' pipeline integrity management plan for the PWCT Pipeline System or otherwise required under any Applicable Law, including all repairs required and anomalies identified as a result of the in-line inspections conducted by Sellers on the PWCT Pipeline System in 2016 and 2019 that have been remediated or that remain incomplete or have not been remediated, as applicable, as of

the Execution Date, including anomalies the repair of which Sellers intend to defer by obtaining the Special Permit. Part I of Schedule 7.14 describes all such repairs and anomalies other than those with respect to the Identified Anomalies (such repairs and anomalies identified on Part I of Schedule 7.14, collectively, the "***Identified Repairs***") and separately identifies those that have been repaired or remediated and those that remain incomplete or have not been remediated, in each case, as of the Execution Date. Part II of Schedule 7.14 describes all of such anomalies with respect to which Sellers have reasonably determined that they may defer repair, in accordance with applicable Law, pending receipt of the Special Permit (such anomalies identified on Part II of Schedule 7.14, collectively, the "***Identified Anomalies***").

(g) With the exceptions of Section 3.3 (No Conflicts; Consents), this Section 3.9 contains Sellers' sole and exclusive representations and warranties with respect to Environmental Laws, Environmental Permits, Hazardous Materials and other environmental matters.

3.10 No Brokers or Finders. Except as set forth on Schedule 3.10, there is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of Sellers who is entitled to receive from Buyer or the Acquired Group any fee or commission in connection with the Transaction or any part thereof or any interest therein. Sellers will pay all fees and compensation of the Persons set forth on Schedule 3.10.

3.11 Real Property; Tangible Personal Property.

(a) Schedule 3.11(a) lists the real property owned in fee simple by the Acquired Group (the "***Owned Land***" and, together with the Owned Improvements and the Ancillary Real Property Rights related thereto, the "***Owned Real Property***")

(b) Schedule 3.11(b) lists the leasehold interests in real property (as lessee or sublessee) leased or subleased by the Acquired Group (such interests, together with the Acquired Group's interests in and to all buildings, facilities, fixtures, structures, improvements, storage tanks and docks situated on such leased or subleased property and all Ancillary Real Property Rights appurtenant or related thereto, collectively, the "***Leased Real Property***");

(c) Schedule 3.11(c)(i) lists the easements held by the Acquired Group (except for the easement identified on Schedule 3.11(c)(ii)), other than Rights of Way (such interests, together with all of the Acquired Group's interest in all buildings, facilities, fixtures, structures, improvements, and storage tanks situated thereon and all Ancillary Real Property Right appurtenant or related thereto (but excluding the Rights of Way), collectively, the "***Easement Real Property***");

(d) The Owned Real Property, the Easement Real Property, the Leased Real Property and the Rights of Way (collectively, the "***Real Property Interests***") constitute all of the fee interests, leases and material easements, material rights-of-way, material property use agreements, material line rights, material real property permits, material real property licenses and other material rights to, or material interests in, real property (other than the Franchise Agreements) used by the Acquired Group or its Affiliates in the conduct of the Business as of the Execution Date.

(e) To the Knowledge of Sellers, except for Permitted Liens and those matters set forth or described on Schedule 3.11(e), there are no unrecorded or undisclosed documents or other matters which affect title to the Real Property Interests or the real property to which the Real Property Interests relate, the failure of which to disclose will have a Material Adverse Effect.

(f) Except as set forth on Schedule 3.11(f), there is no existing, pending or, to the Knowledge of Sellers, threatened condemnation, zoning, building code, eminent domain or other moratoria or similar proceeding, and no unrepaired casualty exists with respect to the Real Property Interests or any portion thereof.

(g) Except (i) for the Permitted Liens, (ii) as may be set forth in the instruments conveying or evidencing the Real Property Interests, or those matters set forth or described on Schedule 3.11(g), to the Knowledge of Sellers, no Third Parties have any unexercised options, rights of first offer, rights of first refusal or other similar preemptive rights, to acquire any material interest in any of the Real Property Interests.

(h) The Acquired Group has valid leasehold interests in or rights to use by license, easement or otherwise all material assets and properties leased, licensed or held by easement by the Acquired Group, in each case, free and clear of all Liens (other than Permitted Liens).

(i) Schedule 3.11(i) (i) sets forth all of the Pipelines owned, used or operated in connection with the Business and (ii) identifies the respective owner of each such Pipeline, each Inactive Pipeline and the PWCT Pipeline System, none of which includes any pipeline segments that have been permanently "abandoned" or removed from service in accordance with PHMSA regulations at 49 C.F.R. Section 195.402(c)(10) other than to the extent specifically identified on Schedule 3.11(i). The Acquired Group owns no pipelines that currently transport or, to the Knowledge of Sellers, previously were used to transport any crude oil, natural gas, petroleum products or Hazardous Materials other than those disclosed on Schedule 3.11(i). For the avoidance of doubt, any pipeline segments (including abandoned pipelines) shown on the alignment drawings made available to Buyer, but not included in Schedule 3.11(i), are not included in the Transaction. For the avoidance of doubt, each of the Pipelines and segments thereof set forth on Schedule 3.11(i) is owned by a member of the Acquired Group as indicated therein.

3.12 Prohibited Transactions and Status. No Seller or any member of the Acquired Group, nor any Person, directly or indirectly, owning or controlling or controlled by Sellers or the Acquired Group, is in violation of any applicable anti-money laundering or anti-bribery laws and regulations (including funds being derived from any person, entity, country or territory on a Government List or engaged in any unlawful activity defined under Title 18 of the United States Code, Section 1956(c)(7)). No Seller or member of the Acquired Group is a Person described by Section 1 of the Executive Order (No. 13,224) Blocking Premises and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, 66 Fed. Reg. 49,079 (September 24, 2001) (the "***Executive Order***") or engage in any dealings or transactions or is not otherwise associated with any such Persons.

3.13 Prohibited Relationships. No Seller or any member of the Acquired Group, nor any Affiliate thereof, is acting, directly or indirectly, on behalf of terrorists, terrorist organizations

or narcotics traffickers, including those Persons that appear on the Annex to the Executive Order, are included on any relevant lists maintained by the Office of Foreign Assets Control of U.S. Department of Treasury, U.S. Department of State, or other U.S. government agencies, all as may be amended from time to time.

3.14 Employees and Employee Benefit Plans.

(a) Controlled Group Liability. No member of the Acquired Group nor any ERISA Affiliate of any member of the Acquired Group has any liability with respect to an Employee Benefit Plan that is subject to the minimum funding standards of Section 302 of ERISA or Section 412 of the Code or Title IV of ERISA that would be, or would reasonably be expected to become, liabilities of Buyer or any of its Affiliates (including the Acquired Group) following the Closing Date.

(b) No Post-Employment Obligations. No Employee Benefit Plan covering Employees provides, or has promised to provide, post-termination or retiree welfare benefits, except as may be required by COBRA or other similar applicable Law that would be, or would reasonably be expected to become, liabilities of Buyer or any of its Affiliates (including the Acquired Group) following the Closing Date.

(c) Employee Benefit Plan Compliance. No member of the Acquired Group maintains, sponsors, contributes to, or is required to contribute to, any Employee Benefit Plan. Except as could not result in any liability to Buyer or its Affiliates, each Employee Benefit Plan maintained or sponsored by Sellers or their respective Affiliates for the benefit of the Employees has been maintained and administered in all material respects in compliance with its terms and with any applicable Laws which are applicable to such Employee Benefit Plans.

(d) Acceleration/Entitlement/280G. The execution of this Agreement and the consummation of the Transaction (alone or together with any other event which, standing alone, would not by itself trigger such entitlement or acceleration) will not give rise to any payment of any amount to the Employees that would not reasonably be expected to be deductible under Section 280G of the Code.

(e) Employee Matters. No Employee's employment with Sellers or their respective Affiliates is covered by a collective bargaining or similar Contract with any labor union or similar representative of a group of employees. To the Knowledge of Sellers, there are no unfair labor practice complaints pending against Sellers or their respective Affiliates with respect to any Employees before the National Labor Relations Board or similar domestic or international labor relations authority related to the Employees. Except as could not result in any material liability to Buyer or its Affiliates, in all material respects, Sellers or their respective Affiliates have complied, and are presently in compliance with all applicable Law relating to employment, equal opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, income tax withholding, occupational safety and health, and/or privacy rights, in each case with respect to the Employees.

3.15 Intellectual Property.

(a) Schedule 3.15(a) sets forth (i) all patents, registered trademarks, material common law trademarks and registered copyrights (including pending applications to apply for registration of any of the foregoing) exclusively owned by a Seller or the Acquired Group and primarily used in or related to the Business and (ii) all licenses or agreements relating to the use by a Seller or the Acquired Group of any Intellectual Property primarily used in or related to the Business. All Intellectual Property owned by the Acquired Group or primarily related to the Business is collectively referred to herein as the "***Acquired Group Intellectual Property***."

(b) To the Knowledge of Sellers, no member of the Acquired Group, nor any Affiliate thereof, is infringing the Intellectual Property of any Third Party. To the Knowledge of Sellers, the Acquired Group owns, or has the licenses from or valid and sufficient rights to use, and except as set forth on Schedule 3.15(b), Buyer will acquire hereunder the right to use, all information technology and computer systems necessary in connection with the Business, and the Acquired Group Intellectual Property contains rights sufficient for the continued use thereof by the Acquired Group in the Ordinary Course of Business.

3.16 Financial Information; No Undisclosed Liabilities.

(a) The historical financial information set forth on Schedule 3.16(a) (the "***Management Accounts***") (i) was prepared in good faith by Sellers or their respective Affiliates in accordance with the internal financial records of the Acquired Group, (ii) is derived from the financial information that was used in the preparation of the Plains All American financial statements for such historical periods and (iii) taken as a whole, accurately reflects in all material respects the actual revenues, direct operating expenses and capital expenditures relating to the assets and properties of the Acquired Group for the periods contemplated thereby.

(b) As of the Closing Date, the revenues, direct operating expenses and capital expenditures of the Acquired Group reflected in the Carve-Out Financial Statements are consistent in all material respects with the cash flows of the Acquired Group reflected in the Management Accounts for the same historical periods.

(c) Except as set forth on Schedule 3.16(a), as of the Closing Date, no member of the Acquired Group has any liabilities that would be required to be disclosed on a balance sheet prepared in accordance with GAAP, other than (i) liabilities that are reflected in the Carve-Out Financial Statements, (ii) liabilities that are reflected in the Net Working Capital Adjustment Amount, (iii) liabilities that are incurred in the Ordinary Course of Business following September 30, 2019 or (iv) liabilities that would not reasonably be expected, individually or in the aggregate, to exceed Seventy Five Thousand Dollars ($75,000).

3.17 Title to Assets. Each member of the Acquired Group (a) is the beneficial owner of, and holds good and valid title to, (b) has a valid leasehold interest in or (c) otherwise has the right to use the Real Property Interests and other material assets and properties that are used, or are necessary for use, in connection with the operation of the Business (other than the assets, properties and rights set forth on Schedule 3.21 or the assets, properties and rights that will be made available to Buyer under the Transition Services Agreement), free and clear of all Liens, other than Permitted

Liens. Except to the extent any of the following constitutes a Permitted Lien, the Acquired Group (i) has not previously granted to any Person any material right in or to such member's Real Property Interests and other material assets and properties, and (ii) has not entered into any agreement, contract or arrangement, other than this Agreement, to grant such rights.

3.18 Credit Support. Schedule 3.18 lists all bonds, guarantees, letters of credit, cash deposits and other sureties, indemnities and credit assurances provided to any Governmental Entity, Contract counterparty or other Person by Sellers, the Acquired Group or any of their respective Affiliates in respect of obligations of any member of the Acquired Group or with respect to the Business (collectively, the "***Credit Support Instruments***").

3.19 Absence of Changes. Since January 1, 2019, (a) the Business has been conducted in the Ordinary Course of Business and (b) there has been no occurrence, condition, change, event or effect that, individually or in the aggregate, has had or is reasonably expected to have a Material Adverse Effect.

3.20 Franchise Agreements. Sellers have made available to Buyer copies of the Material Railroad Easement Agreement and all franchise agreements in Sellers' possession or reasonably within Sellers' control from any Governmental Entity currently applicable to the assets of the Acquired Group, together with any related governmental ordinances and resolutions and all amendments, supplements, modifications and assignments to the franchise agreements (such items, along with such franchise agreements and the Material Railroad Easement Agreement are collectively referred to as the "***Franchise Agreements***"); *provided*, *however*, that to the extent that the most recent franchise agreement with respect to any asset of the Acquired Group has expired or been terminated, Sellers have made available to Buyer copies of the most recent franchise agreement (and related Franchise Agreements) in Sellers' possession or reasonably within Sellers' control with respect to such asset. Schedule 3.20 lists all of the Franchise Agreements. Except as otherwise indicated on Schedule 3.20, to the Knowledge of Sellers, all such documents are complete and correct in all material respects, and all rights of the Acquired Group thereunder are valid and enforceable. Except as set forth on Schedule 3.20, neither Sellers nor any member of the Acquired Group have received any written notice from any other party of, and to the Knowledge of Sellers, none of the Acquired Group are, in breach of or default under any Franchise Agreement.

3.21 Assets. Except as set forth on Schedule 3.21 and except for the assets, rights and properties that will be made available to Buyer under the Transition Services Agreement, as of the Closing, the assets, rights and properties of the Acquired Group collectively will constitute all of the assets, rights and properties, tangible or intangible, real or personal, that are used, or are necessary for use, in connection with the operation of the Business.

3.22 CPUC Filings. Sellers have made all tariff submissions required by applicable Law to, and have received all approvals required by applicable Law from, the CPUC in order to operate the LA Terminal System in accordance with prudent industry standards.

3.23 Affiliate Transactions. Except as set forth on Schedule 3.23, (a) there are no existing Contracts between (i) Sellers or any of their Affiliates, on the one hand, and the Acquired Group, on the other hand or (ii) the Acquired Entities on the one hand and the Acquired Subsidiary on the other hand and (b) none of the Sellers or any of their Affiliates has any material interest in

any material asset, right or property owned by the Acquired Group. As of the Closing, the Acquired Group will have no outstanding Indebtedness to the Sellers or any of their Affiliates.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BUYER

Except as set forth on the Disclosure Schedule, Buyer hereby represents and warrants to Sellers as follows as of the Execution Date and as of the Effective Time:

4.1 Organization. Buyer is a limited liability company, duly organized, validly existing and in good standing under the Laws of its state of organization and has the requisite limited liability company power to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is duly qualified to do business and in good standing as a foreign limited liability company in all jurisdictions in which the character of the properties now owned or leased by it or the nature of the business conducted by it requires it to be so licensed or qualified, except where the failure to be so licensed or qualified would not materially impair Buyer's ability to consummate the Transaction.

4.2 Authorization. Buyer has full limited liability company power and authority to (a) execute and deliver this Agreement and the Ancillary Agreements contemplated hereby to be executed and delivered by Buyer and (b) consummate the Transaction. Buyer has taken all limited liability company action required to authorize: (i) the execution and delivery of this Agreement and the Ancillary Agreements to which it is a party to be executed and delivered by Buyer and (ii) the consummation of the Transaction. This Agreement has been duly and validly executed and delivered by Buyer and, assuming due authorization, execution and delivery by Sellers, is a legal, valid and binding obligation of the Buyer, enforceable against it in accordance with its terms, except for the Creditor's Rights Exception. The Ancillary Agreements will, on the Closing Date, be duly and validly executed by Buyer and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms, except for the Creditor's Rights Exception.

4.3 No Violations; Consents. Except for and subject to obtaining the Consents set forth on Schedule 4.3 (the "***Buyer Consents***") and the Seller Consents, the execution, delivery and performance by Buyer of this Agreement and the Ancillary Agreements do not, and the consummation of the Transaction will not, (a) violate, conflict with, or result in any breach of any provisions of the Governing Documents of Buyer; (b) violate, conflict with or result in a violation or breach of, or constitute a default under, any of the material terms, conditions or provisions of any material Contract, or other instrument or obligation, to which Buyer is a party or by which Buyer or any material portion of its assets is bound; or (c) to the Knowledge of Buyer materially violate any applicable Law binding upon Buyer or by which it or any material portion of its assets are bound.

4.4 Absence of Litigation. Except as set forth on Schedule 4.4, there is no Action pending or, to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates relating to the Acquired Interests or the Transaction.

4.5 Brokers and Finders. There is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of the Buyer who is entitled to receive from Sellers any fee or commission in connection with the Transaction.

4.6 Due Diligence. Buyer is an informed and sophisticated buyer experienced in financial and business matters and the evaluation of and investment in businesses such as the Business and the transactions as contemplated hereunder. Buyer has undertaken such investigations as it has deemed necessary to enable it to make an informed decision with respect to the execution, delivery and performance of this Agreement. Sellers have provided Buyer with an opportunity to ask questions of the officers and management of Sellers and their respective Affiliates (including the Acquired Group).

4.7 Sufficient Funds. Buyer has, or as of the Closing will have, sufficient cash or cash equivalents available to pay the aggregate Closing Date Payment on the terms and conditions contained in this Agreement, and there is no restriction on the use of such cash or cash equivalents for such purpose.

4.8 Prohibited Transactions and Status. Neither Buyer, nor any Person, directly or indirectly, owning or controlling or controlled by Buyer is in violation of any applicable anti-money laundering or anti-bribery laws and regulations (including funds being derived from any person, entity, country or territory on a Government List or engaged in any unlawful activity defined under Title 18 of the United States Code, Section 1956(c)(7)). Buyer is not a Person described by Section 1 of the Executive Order and does not engage in any dealings or transactions or is not otherwise associated with any such Persons.

4.9 Prohibited Relationships. Neither Buyer nor its Affiliates are acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those Persons that appear on the Annex to the Executive Order, are included on any relevant lists maintained by the Office of Foreign Assets Control of U.S. Department of Treasury, U.S. Department of State, or other U.S. government agencies, all as may be amended from time to time.

4.10 WAIVERS AND DISCLAIMERS. BUYER ACKNOWLEDGES THAT IT HAS HAD AN OPPORTUNITY TO INSPECT THE ASSETS AND PROPERTIES OF THE ACQUIRED GROUP, THAT IT HAS CONDUCTED ITS INDEPENDENT DUE DILIGENCE INVESTIGATION AND INSPECTION OF ALL ASPECTS OF THE BUSINESS AND THE CLOSING OF THE TRANSACTION IS NOT CONDITIONED ON IT CONDUCTING FURTHER DUE DILIGENCE. OTHER THAN AS EXPRESSLY SET OUT HEREIN, BUYER IS RELYING ON SUCH INDEPENDENT INVESTIGATION AND INSPECTION OF THE ASSETS AND PROPERTIES OF THE ACQUIRED GROUP AND IS NOT RELYING ON ANY INFORMATION PROVIDED BY SELLERS OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES IN DETERMINING WHETHER TO ACQUIRE THE ACQUIRED INTERESTS.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES MADE BY SELLERS SET FORTH IN ARTICLE III, BUYER

ACKNOWLEDGES AND AGREES THAT THE SALE AND BUYER'S ACQUISITION OF THE ACQUIRED INTERESTS AS PROVIDED FOR HEREIN SHALL BE MADE IN AN "AS IS", "WHERE IS" CONDITION WITH ALL FAULTS AND THAT SELLERS HAVE NOT MADE, NOR DO THEY MAKE, AND SELLERS SPECIFICALLY NEGATE AND DISCLAIM, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST OR PRESENT, REGARDING (a) THE VALUE, NATURE, QUALITY OR CONDITION OF THE ACQUIRED INTERESTS OR THE ASSETS OR PROPERTIES OF THE ACQUIRED GROUP, INCLUDING THE WATER, SOIL, GEOLOGY OR ENVIRONMENTAL CONDITION OF THE ACQUIRED GROUP'S PROPERTIES, GENERALLY, INCLUDING THE PRESENCE OR LACK OF HAZARDOUS SUBSTANCES OR MATTERS ON SUCH PROPERTIES, (b) THE INCOME TO BE DERIVED FROM THE ACQUIRED INTERESTS, (c) THE SUITABILITY OF THE ASSETS AND PROPERTIES OF THE ACQUIRED GROUP FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER OR ANY OTHER PERSON MAY CONDUCT THEREON, (d) THE COMPLIANCE OF OR BY THE ACQUIRED GROUP OR THE OPERATION OF THE BUSINESS WITH ANY LAWS OF ANY GOVERNMENTAL ENTITY (INCLUDING ANY ZONING, ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS, OR REQUIREMENTS), OR (e) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE ACQUIRED INTERESTS OR ANY OF THE ASSETS OR PROPERTIES OF THE ACQUIRED GROUP. THIS PARAGRAPH SHALL SURVIVE THE CLOSING. BUYER ACKNOWLEDGES THAT THE WAIVERS AND DISCLAIMERS IN THIS SECTION ARE CONSPICUOUS FOR PURPOSES OF APPLICABLE LAW.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT AS SET FORTH IN SECTION 11.1(a)(i)), INCLUDING THE REPRESENTATIONS AND WARRANTIES IN ARTICLE III, BUYER ACKNOWLEDGES AND AGREES THAT SELLERS MAKE NO REPRESENTATIONS OR WARRANTIES IN THIS AGREEMENT WITH RESPECT TO THE EXCLUDED ASSETS OR THE EXCLUDED LIABILITIES.

ARTICLE V
COVENANTS AND AGREEMENTS OF SELLERS

5.1 Pre-Closing Access and Information.

(a) Subject to Section 6.1 and the terms of the Confidentiality Agreement, and upon reasonable advance notice, Sellers shall grant, or cause to be granted to, Buyer and its Representatives reasonable access during Sellers' normal business hours throughout the period beginning on the Execution Date through the Condition Completion Date (the "***Interim Period***") to the Acquired Group and the Books and Records and other information relating to the Employees and the Business (subject to any applicable confidentiality agreements, legal restrictions and legal privileges), including copies of (i) all appraisals and other material documents during the Interim Period and within the five (5) years preceding the Execution Date related to the value of the REDACTED (subject to any applicable confidentiality agreements, legal restrictions and legal

privileges), whether generated on behalf of Sellers or the landowner of the REDACTED, that are in the possession or reasonable control of Sellers (subject to any applicable confidentiality agreements, legal restrictions and legal privileges), and (ii) all material correspondence during the Interim Period and within the eighteen (18) months preceding the Execution Date between the owner thereof (or its representatives) and the Sellers or the Acquired Group (or their representatives) regarding or relating to the acquisition, lease, condemnation or value of the REDACTED that are in the possession or reasonable control of Sellers, and Sellers shall furnish promptly to Buyer and its Representatives all such information as Buyer may reasonably request. Notwithstanding the preceding sentences to the contrary, nothing in this Agreement or otherwise shall be construed to permit Buyer or its Representatives to have access to any files, records, Contracts or documents of Sellers or their respective Affiliates or Representatives relating to (A) Sellers' or their respective Affiliates' inter-company or intra-company product pricing information, internal transfer prices, hedging activity records and business inventory valuation procedures and records, (B) any bids relating to the Transaction, (C) any of the Excluded Assets or the Excluded Liabilities or (D) the negotiation or execution of this Agreement or any of the Ancillary Agreements. During the Interim Period, in connection with Buyer's and its Representatives' investigation pursuant to this Section 5.1, if Buyer or its Representatives discover any fact, event or circumstance that, to Buyer's Knowledge, would be reasonably likely to cause or result in any of Sellers' representations and warranties not to be true and correct or result in a material breach of any covenant of any Seller, then Buyer shall promptly notify Sellers in writing thereof; *provided, however*, that no investigation, notification or failure to provide notice pursuant to this Section 5.1 shall affect or be deemed to modify any representations or warranties made herein or the conditions to the obligations of the respective Parties to consummate the Transaction.

(b) Notwithstanding anything contained in the Confidentiality Agreement to the contrary, following the date that is the earlier of (i) ninety (90) days following the Execution Date and (ii) the date on which a prehearing conference date is set with the CPUC for the Transaction, but in any event at least ninety (90) days prior to Closing, Sellers shall use commercially reasonable efforts to provide Buyer and its Representatives with reasonable access to the Employees and the opportunity to interview such Employees during normal business hours in order to discuss post-Closing employment matters.

5.2 Conduct of Business.

(a) During the Interim Period, except (i) as may be required by emergency or force majeure conditions, (ii) for the work done in conjunction with implementing the Identified Repairs contemplated by Section 7.14 or the Special Permit Required Repairs, (iii) for the consummation of the transactions contemplated by the Reorganization Agreement and (iv) as set forth on Schedule 5.2, Sellers shall cause the Acquired Group to (A) operate the Business in the Ordinary Course of Business, (B) maintain their respective assets and properties in the Ordinary Course of Business (including using commercially reasonable efforts to undertake such maintenance and capital projects listed on Schedule 5.2(a), if any, in accordance with the timing, budgeted amounts and other requirements set forth thereon), (C) comply in all material respects with all Laws and Orders applicable to the Business and to perform in all material respects all of their respective obligations under all Material Contracts and Permits applicable to the Business and (D) use commercially reasonable efforts consistent with past practice to keep available the services of employees, and maintain existing relationships with any Governmental Entity,

licensors, customers, suppliers, distributors, clients, and others with whom they have business relationships, including by using commercially reasonable efforts to renew or extend any Material Contracts scheduled to expire during the Interim Period.

(b) During the Interim Period, except (1) for the work done in conjunction with implementing the Identified Repairs contemplated by Section 7.14 or the Special Permit Required Repairs, (2) for the consummation of the transactions contemplated by the Reorganization Agreement, (3) as set forth on Schedule 5.2 or (4) as may be required or permitted pursuant to Section 5.2(a), Sellers shall not, and shall not permit the Acquired Group to, without the prior written consent from Buyer (which shall not be unreasonably withheld conditioned or delayed):

(i) sell, exchange, assign, lease, sublease, license, transfer or otherwise dispose of or grant any right to any Person to acquire any Acquired Interests, Subsidiary Interests, any portion of the Business, or any assets or properties of the Acquired Group, other than sales of goods or services in the Ordinary Course of Business;

(ii) create, grant, incur, assume or permit to exist any Lien on or affecting the Acquired Group or any assets or properties of the Acquired Group, except for Permitted Liens;

(iii) (x) terminate, assign, extend, grant any waiver or consent of any material term (in a manner adverse to the Acquired Group or Buyer) with respect to, or amend, any Material Contract or (y) enter into any Contract that would constitute a Material Contract, in each case, other than the extension or modification of the REDACTED (provided such extension or modification that is not on terms that meet the conditions specified in Section 9.2(i) shall not limit or otherwise modify the conditions specified in Section 9.2(i)) or the acquisition of any rights to own or use the property related thereto as contemplated in this Agreement;

(iv) initiate, settle or compromise any material litigation, excluding any condemnation action concerning the REDACTED that is specifically contemplated in this Agreement, or other material commercial or regulatory dispute with respect to the Acquired Group or its assets in a manner that would reasonably be expected to adversely affect the Business after Closing, except, in each case, as it may relate to any Tax matters set forth on Schedule 5.2(b)(v);

(v) (A) make, change or rescind any material Tax election of any member of the Acquired Group; (B) amend any income or other material Tax Return of any member of the Acquired Group; (C) waive any right of any member of the Acquired Group to claim a Tax refund, offset or other reduction in Tax liability; (D) enter into any closing agreement with respect to any material amount of Taxes of any member of the Acquired Group; (E) consent to any extension or waiver of the limitations period in respect of Taxes of any member of the Acquired Group; (F) make or request any Tax ruling with respect to Taxes of any member of the Acquired Group, or (G) adopt or change any accounting method in respect of Taxes of any member of the Acquired Group, except, in each case, as it may relate to (i) any Seller Consolidated Return or (ii) any Tax matters set forth on Schedule 5.2(b)(v);

(vi) incur any liabilities with respect to the Acquired Group for which Buyer would be responsible after Closing other than liabilities arising in the Ordinary Course of Business;

(vii) except (A) as may be required under any Employee Benefit Plan existing as of the date of this Agreement or by applicable Law, (B) in the Ordinary Course of Business or (C) as would relate to substantially all other similarly situated employees of Sellers or their respective Affiliates, (1) materially increase the amount of compensation or benefits payable to or to become payable to any Employee, except where the aggregate cost increase is borne by Sellers or their respective Affiliates and does not increase Buyer's obligations under Article VIII, or (2) hire new Employees (unless necessary to replace an Employee whose employment has terminated) or terminate the employment of any Employee (other than a termination for cause) or transfer any Employee except to fill any vacancy in existing positions known on the Execution Date;

(viii) enter into any Contract to do any of the foregoing;

(ix) amend or modify any of the organizational documents of the Acquired Group; or

(x) except as may be contemplated by the Reorganization Agreement, cause any member of the Acquired Group to merge into or consolidate with any Person or acquire all or substantially all of the assets or stock of any class of any Person or change its legal form or liquidate, wind-up or dissolve or liquidate the assets or stock of any other entity, or change its legal form.

5.3 Books and Records. Sellers shall deliver all Books and Records to Buyer as promptly as practicable following the Closing, *provided*, *that* Sellers may retain copies of any Books and Records necessary to enable Sellers to fulfill their obligations under the Transition Services Agreement. Sellers are not obligated to create any Books and Records for Buyer or to provide them in a form or format other than the form or format in which they exist as of the Execution Date or to provide them to Buyer in any sequence or priority except as otherwise expressly provided herein. Books and Records will be provided to Buyer in the formats and on media used by the Acquired Group in the Ordinary Course of Business, or native to the system in which such data or information resides. If Buyer requests any Books and Records in a specific format or report form, and Sellers agree in its sole discretion, Buyer will be responsible for all reasonable costs incurred by Sellers to provide such Books and Records in such requested format or report form.

5.4 Post-Closing Financial Statements and Records; Monthly Financial Reports. Upon request by Buyer or its Affiliates, as applicable, for a period of six (6) months after the Closing (or such longer period as may be reasonably necessary to enable Buyer, its Affiliates and its independent auditors to prepare an audited consolidated balance sheet of the Acquired Group as of and for the fiscal year ended December 31, 2020, and related audited consolidated statements of income and cash flows for the year then ended), Sellers shall, and shall instruct their respective Affiliates to, use commercially reasonable efforts to provide Buyer, its Affiliates, and its independent auditors, at Buyer's sole cost and expense, with reasonable access during normal

business hours and in such manner as to not interfere unreasonably with the business of Sellers or their respective Affiliates, to Sellers' and their respective Affiliates' financial accounting personnel, auditors, books, records and other data (subject to any applicable confidentiality agreements, legal restrictions and legal privileges). Buyer shall reimburse Sellers for Sellers' and their respective Affiliates' reasonable internal costs (which shall be billed at a rate of One Hundred Dollars ($100) per hour) and all out-of-pocket costs associated with this Section 5.4 upon receipt of an invoice with respect thereto and Sellers providing Buyer with all reasonable supporting documentation for such costs. In addition, during the Interim Period, Sellers will deliver to Buyer monthly financial information within thirty-five (35) days after the end of each month, relating to the Business as of and for such prior month, in a form consistent in all material respects with the financial information reflected on Schedule 3.16(a). Sellers shall provide to Buyer, within forty five (45) days following the Closing (and prior to the delivery of the Unaudited Closing Balance Sheet pursuant to Section 2.7(a)), a good-faith estimate of the Unaudited Closing Balance Sheet; *provided, however,* that any differences or discrepancies between such good faith estimate and the Unaudited Closing Balance Sheet delivered pursuant to Section 2.7(a) shall be given no effect for purposes of Section 2.7 or any dispute with respect to the determination of the Final Net Working Capital Adjustment Amount or the Final Closing Indebtedness. Following the Execution Date, the Sellers will provide Buyer with an estimate of the Sellers' and their respective Affiliates' reasonable internal costs and expenses and out-of-pockets costs and expenses reimbursable by Buyer pursuant to this Section 5.4 in connection with the preparation of both the Audited Financial Statements and the Special Purpose Financial Statements. No later than ten (10) days following the delivery of such estimate, Buyer shall provide written notice to Sellers whether the Carve-Out Financial Statements shall include either the Audited Financial Statements or the Special Purpose Financial Statements; *provided, however,* that if such notice is not timely delivered, the Carve-Out Financial Statements shall be deemed to include the Audited Financial Statements for purposes of this Agreement.

5.5 Schedules. Prior to the Closing Date, Sellers may, from time to time, by written notice to Buyer, supplement or amend the Disclosure Schedule as necessary to make the representations and warranties of Sellers qualified thereby true and accurate as of the Execution Date and as of the Closing Date, as provided in this Section 5.5. For purposes of determining whether Buyer's condition to closing set forth in Section 9.2(a) has been satisfied, all such supplements and amendments shall be given full force and effect, unless such changes, together with any failure of the representations and warranties of Sellers set forth in this Agreement to otherwise be true and correct to the extent required by Section 9.2(a), in the aggregate, would result in Buyer's condition to closing set forth in Section 9.2(a) not being satisfied. For purposes of determining Sellers' indemnification obligations under Section 11.1(a)(iv), such supplements and amendments shall be given full force and effect as follows: (a) with respect to matters first arising on or after the Execution Date and prior to the Closing Date (and, for clarity, of which Sellers did not otherwise have Knowledge as of the Execution Date), so long as such changes, in the aggregate, would not reasonably be expected to result in aggregate Losses to the Business, the Acquired Group or to Buyer of more than REDACTED and (b) with respect to matters arising prior to the Execution Date and of which Sellers did not otherwise have Knowledge as of the Execution Date, so long as such changes, in the aggregate, would not reasonably be expected to result in aggregate Losses to the Business, the Acquired Group or to Buyer of more than REDACTED. Supplements or amendments to the Disclosure Schedule required pursuant to Section 8.1 shall be given full force and effect. Upon

the Closing, to the extent permitted pursuant to this Section 5.5, the Disclosure Schedule shall be deemed to have been amended to include such supplements or amendments and to cure or correct any breaches of any representation or warranty that would have existed if Sellers would not have made such supplement or amendment for purposes of indemnification under Section 11.1(a)(iv). Notwithstanding anything herein to the contrary, Sellers may (i) supplement or amend Schedule 8.1(a) as required by Section 8.1(a) and (ii) supplement or amend Schedule 5.2(b)(v) with respect to Tax Contests that relate to ad valorem, property or similar Taxes pertaining to the 2019 tax year (and, if applicable, the 2020 tax year) with respect to the properties and corresponding jurisdictions listed on Schedule 5.2(b)(v) as of the Execution Date, and all such supplements and amendments shall be given full force and effect.

5.6 Exclusivity. Except with respect to this Agreement and the Transaction, from the Execution Date until the earlier of the Final Outside Date and the termination of this Agreement, Sellers shall not, and shall cause their respective Affiliates (including the Acquired Group) and Representatives (including any investment banking, legal or accounting firm retained by any of the foregoing) not to: (a) encourage, initiate, solicit or seek, directly or indirectly, any inquiries or the making or implementation of any proposal or offer with respect to any acquisition or similar transaction involving the Business or all or any substantial portion of the assets or equity interests of the Acquired Group (a "***Proposal***"); (b) engage in any negotiations concerning, or provide any confidential information or data to, or have any substantive discussions with, any Person relating to a Proposal; (c) otherwise cooperate in any effort or attempt to make, implement or accept a Proposal; or (d) enter into a Contract with any Person relating to a Proposal (including any letter of intent or confidentiality agreement). The obligations set forth in this Section 5.6 shall expire upon the earlier of (i) the termination of this Agreement and (ii) the Closing Date.

ARTICLE VI
COVENANTS AND AGREEMENTS OF BUYER

6.1 Pre-Closing Access and Inspections.

(a) Without the other Parties' prior written consent, not to be unreasonably withheld, conditioned or delayed, during the Interim Period, no Party shall contact or communicate with any employees (who are not Employees), customers, suppliers or distributors of another Party or its Affiliates or related to the Acquired Group or the Business except in connection with, in relation to or with respect to this Transaction or any of the matters contemplated by this Agreement or otherwise in the ordinary course of business consistent with such Party's past practices.

(b) Any inspection or investigation, including any "Phase I Environmental Site Assessment," conducted by Buyer or its Representatives prior to the Closing shall be conducted in accordance with applicable Laws and in such manner as not to interfere unreasonably with the business of Sellers or their respective Affiliates (including the Acquired Group). Buyer shall not conduct or cause to be conducted any "Phase II Environmental Site Assessment" or any other sampling or testing of any environmental media at, or under, any Owned Real Property and/or Leased Real Property, without the prior written consent of Sellers (which consent may be withheld in Sellers' sole discretion), with Buyer being limited to visual inspections of the assets and properties of the Acquired Group and the review of their respective records and any other publicly available materials or information with regard to these matters. Buyer shall bear the risk of injury

to any of its Representatives conducting any inspection or investigation of the assets or properties of any member of the Acquired Group. Buyer shall indemnify, defend and hold harmless the Seller Indemnified Parties from and against any and all Losses arising or resulting from or in connection with Buyer's or Buyer's Representatives' access to or inspection of any assets or properties of any member of the Acquired Group or travel to or from or presence thereon, or any other facilities of any member of the Acquired Group or any Affiliate thereof, except for any such Losses arising or resulting from the gross negligence or willful misconduct of any Seller Indemnified Party. Buyer's obligations in the foregoing sentence shall survive the Closing or the earlier termination of this Agreement; *provided, that* Buyer shall have no liability solely with respect to the discovery (without exacerbation) of any existing condition of any asset or property of a member of the Acquired Group.

(c) During the Interim Period, Buyer shall not, and shall cause its Affiliates and direct its Representatives not to, contact or communicate with any Governmental Entity or any employee of any Governmental Entity in connection with or with respect to environmental matters related to any assets or properties of any member of the Acquired Group, except in connection with CPUC approvals, or otherwise with Sellers' prior written consent, which is not to be unreasonably withheld, conditioned or delayed, and, with respect to matters requiring Sellers' consent, Buyer shall provide Sellers with a reasonable opportunity to have one of Sellers' Representatives present at the time of any such contact or communication approved by Sellers; *provided, however,* that nothing in this Section 6.1 shall prohibit searches of databases and public information available upon request by any Person of a Governmental Entity. Sellers shall use commercially reasonable efforts to cooperate with Buyer in discussing with Governmental Entities the procedures for and substantive requirements required to be satisfied in connection with the transfer of all Environmental Permits.

6.2 Post-Closing Preservation of Books and Records; Access. For a period of six (6) years from and after the Closing Date, Buyer shall, and shall cause its Affiliates to, upon receipt of reasonable prior written request from Sellers, (a) afford to Sellers and their respective Affiliates and Representatives reasonable access during Buyer's normal business hours to the Buyer's employees, the assets and properties of the Acquired Group and to the Books and Records delivered to Buyer hereunder; (b) provide Sellers, at Sellers' expense, with copies of the Books and Records delivered to Buyer by Sellers; and (c) at Sellers' expense, reasonably cooperate with Sellers in all respects, including the making available to Sellers of Buyer's employees as witnesses or deponents as Sellers may reasonably request, in respect of (i) financial reporting, (ii) Tax or similar purposes, (iii) purposes of investigating Claims or pursuing Actions in respect of Third Parties or Governmental Entities or (iv) addressing environmental matters involving the Acquired Group. Buyer shall, and shall cause its Affiliates to, keep and maintain the Books and Records delivered to Buyer by Sellers for a period of six (6) years from the Closing Date or such longer periods as may be required by applicable Law.

6.3 Cooperation for Seller Assumed Liabilities. With respect to all matters that constitute Seller Assumed Liabilities or for any of Buyer's liabilities related to the Transaction, and for so long as Sellers or Buyer, as applicable, are contesting or defending such matter in connection with any Claim, each Party shall cooperate (at no cost to the cooperating Party) with the other Parties and their respective Affiliates and Representatives in their efforts to conduct or resolve such matters, including by making available to them such documents and witnesses as may

be deemed necessary or useful therefor in such Party's reasonable discretion; *provided*, *that* the cooperating Party shall be reimbursed by the other Party or Parties for any reasonable out-of-pocket costs incurred in connection with providing such cooperation. The Parties shall keep confidential all non-public information received pursuant to this Section 6.3, except as otherwise required by Law. Notwithstanding anything to the contrary contained in this Agreement, no Person shall be required to provide any access that such Person reasonably believes could (a) violate applicable Law, including Antitrust Laws, rules or regulations, or the terms of any contract, or (b) cause the waiver of attorney-client or similar privilege.

6.4 Seller Marks. Notwithstanding anything to the contrary in this Agreement, Buyer shall not acquire or otherwise be entitled to, and no member of the Acquired Group shall retain, any right, title, interest, license or any other right whatsoever to use any of the Seller Marks set forth on Schedule 6.4. Buyer shall, (a) as promptly as practicable, but in any event within 120 days after the Closing Date (the "***Removal Deadline***"), eliminate and remove (or cause to be eliminated and removed) any and all of the Seller Marks from the assets and properties of the Acquired Group and (b) within three (3) Business Days after the Closing, amend the Governing Documents of the Acquired Group and make the necessary filings with the Secretary of State of the State of Delaware to change the legal or business name of each member of the Acquired Group to a name that does not include "Plains," "PAA" or other similar identifiers or any abbreviation, derivation or adaptation thereof. From and after the Removal Deadline, Buyer shall not, and Buyer shall cause its Affiliates not to, use any of the Seller Marks in connection with the Business, the assets or properties of Acquired Group or otherwise and from and after the Closing Date, Buyer shall not, and shall cause its Affiliates (including the Acquired Group) not to, send or cause to be sent to any Person any correspondence or other materials containing any of the Seller Marks. Notwithstanding the foregoing, it shall not be deemed a violation of this Section 6.4 by reason of Buyer's or any it's Affiliates' use of the Seller Marks in a non-trademark manner solely to the extent necessary to convey to customers, any Governmental Entity or the general public that the names of the members of the Acquired Group have changed, that there was a change in ownership of the Acquired Group or the historical origins of the business of the Acquired Group.

6.5 Performance Bonds and Guaranties. Buyer shall (a) replace, as of the Closing, and (b) within thirty (30) days after the Closing Date, take all actions reasonably necessary to cause Sellers and their respective Affiliates to be fully and unconditionally released from any and all obligations under such Credit Support Instruments. Sellers will reasonably cooperate with Buyer's efforts to replace any Credit Support Instruments and obtain Sellers' or their respective Affiliate's release therefrom. Buyer shall assume responsibility under all such Credit Support Instruments and shall indemnify Sellers and their respective Affiliates for any Losses related to the failure to replace such Credit Support Instruments or cause Sellers and their respective Affiliates to be fully and unconditionally released from any and all obligations thereunder, in each case, effective as of the Closing.

6.6 Insurance. Buyer acknowledges and agrees that all insurance policies maintained by Sellers in respect of the Acquired Group, their respective assets and properties and the Business may be terminated by Sellers as of the Effective Time (but not earlier). Buyer further agrees not to, and shall cause its Affiliates (including, after Closing, the Acquired Group) not to, make any Claims under such insurance policies. Buyer agrees to arrange insurance coverage for itself and the Acquired Group and the assets and properties thereof as of the Effective Time with insurers of

its own choice. Buyer further acknowledges that neither Buyer nor, after Closing, any member of the Acquired Group, has any right, title or interest in any unearned premiums on any insurance policies maintained by Sellers.

6.7 Third Party Software. Sellers shall not be obligated to procure for Buyer any rights or benefits under any Intellectual Property licensed from Third Parties that is used or useful in the operation of any assets or properties of the Acquired Group and the business associated therewith as conducted by the Acquired Group prior to the Closing. Buyer shall be provided access to information concerning the identity and nature of support provided by Third Party service providers engaged by or on behalf of the Acquired Group to support the Acquired Group's information technology infrastructure, but neither Sellers nor their respective Affiliates shall have any obligation to assist Buyer to retain the services of such Third Parties, or to obtain such services at any particular cost. Any fees or expenses associated with the Intellectual Property that arise in connection with the Transaction shall be borne by Buyer, including any transfer fees or Third Party contractor fees.

ARTICLE VII
COVENANTS AND AGREEMENTS OF SELLERS AND BUYER

7.1 Expenses. Except as explicitly provided otherwise in this Agreement or any Ancillary Agreement, or by applicable Law, all costs and expenses incurred by the Parties in connection with the consummation of the Transaction shall be borne solely and entirely by the Party which has incurred such expenses.

7.2 Injunctions. Except as otherwise provided herein, if any Governmental Entity having jurisdiction over any Party issues or otherwise promulgates any Order that prohibits the consummation of the Transaction, the Parties will use their commercially reasonable efforts to (a) have such injunction dissolved or otherwise eliminated as promptly as possible and (b) pursue any underlying Action diligently and in good faith prior to and after the Closing.

7.3 Payments Received. Sellers and Buyer agree that after the Closing they shall hold and promptly transfer and deliver to each other, from time to time as and when received by them, any cash or checks with appropriate endorsements (using their commercially reasonable efforts not to convert such checks into cash), or other property that they may receive at or after the Closing which properly belongs to another Party. Notwithstanding the foregoing, this Section 7.3 shall not apply to any Tax refunds, which are exclusively addressed in Section 2.4(b) and Section 7.10(b).

7.4 Permits; Transfers; Cooperation. From and after the Execution Date until one (1) year after Closing, Sellers shall use commercially reasonable efforts to cooperate with Buyer and assist Buyer in identifying all Consents required under the Franchise Agreements and the Rights of Way as a result of the consummation of the Transaction and identifying and obtaining all Permits (including Environmental Permits) and Franchise Agreements (including issuance of new Permits or Franchise Agreements in cases where an existing Permit or Franchise Agreement expired or was terminated prior to Closing and has not yet been replaced) that are necessary for Buyer to own and operate the Business from and after the Closing Date, including any actions necessary to transfer the Special Permit to Buyer or its designee and for the transfer to the Acquired Group of the Transferable Environmental Permits; *provided*, *however*, that (a) Sellers shall not be

required to incur any out-of-pocket costs and expenses in connection with the foregoing and Buyer shall reimburse Sellers for any such reasonable, documented costs and expenses promptly following Sellers' request therefor, (b) Sellers shall not be required to assume any liability or obligation in connection with the foregoing and (c) Buyer shall indemnify, defend and hold harmless Sellers and their respective Affiliates for any such liability or obligation as more particularly provided in Article XI. Seller's obligations to cooperate hereunder shall include, but not be limited to, making available for reasonable consultation Sellers' staff and identifying and providing contact information for its contractors familiar with Franchise Agreements. Notwithstanding the foregoing, promptly following the Execution Date, Sellers and Buyer shall use commercially reasonable efforts to engage a mutually-acceptable independent contractor to assist the Parties with the identification of all Consents required under the Franchise Agreements and Rights of Way as a result of the consummation of the Transaction, and the cost and expense of such contractor shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Sellers.

7.5 Third Party Consents and Approvals; HSR and California Public Utilities Code Matters.

(a) Prior to the Closing, upon the terms and subject to the conditions of this Agreement, and except as contemplated by this Agreement, the Parties shall take (or cause to be taken) all commercially reasonable actions, and do (or cause to be done) all commercially reasonable things necessary, proper, advisable, or required by applicable Law, to consummate the Transaction as promptly as reasonably practicable, but in no event after the Initial Outside Date or the Final Outside Date, as applicable, and to obtain any requisite approvals, authorizations, Consents, releases, orders, licenses, Permits, qualifications, exemptions, waiting period expirations or terminations or waivers required by any Third Party or Governmental Entity, including the Buyer Consents and Seller Consents, but excluding any Consents related to Franchise Agreements, which such Consents shall be addressed pursuant to Section 7.5(f) below.

(b) In furtherance of the foregoing Section 7.5(a), the Parties agree to (i) as promptly as reasonably practicable following the Execution Date, but in no event later than fifteen (15) calendar days after the Execution Date, make all pre-closing notification filings required under the HSR Act including a request for early termination of the waiting period under the HSR Act, and (ii) use commercially reasonable efforts to notify each other of, and comply at the earliest practical date with, any request for additional information (including any informal or voluntary request or formal requests for additional information and documentary material) under the HSR Act received from the Federal Trade Commission, the Antitrust Division of the Department of Justice or a State Attorney General in respect of the HSR Act filing or related proceeding. Sellers and Buyer shall provide each other with an opportunity to comment on any submission to a Governmental Entity under the HSR Act and shall promptly inform each other of any communication (oral or written) to, with or from a Governmental Entity, and provide copies of any written communication to, with or from, any Governmental Entity regarding any such filings. No Party shall independently initiate or participate in any meeting or discussion, either in person, writing or by telephone, with any Governmental Entity in respect of any such filings, investigation, or other inquiry without giving the other Party or Parties prior notice of the meeting and discussion and, unless prohibited by such Governmental Entity, the opportunity to attend and participate. The Parties shall consult and cooperate with one another and jointly determine any strategies or tactics in connection with obtaining the expiration or termination of all applicable waiting periods under

the HSR Act under the HSR Act or any other Antitrust Law. No Party shall be obligated to share any information that reflects the value of the Transaction or contains attorney-client information or work product absent the entry of a mutually agreeable joint defense agreement.

(c) In furtherance of the foregoing Section 7.5(a), the Parties agree to, as promptly as reasonably practicable following the Execution Date, but in no event later than twenty (20) calendar days after the Execution Date, file a transfer-of-control application with the CPUC with Buyer taking primary responsibility for the preparation of the application. In furtherance of the foregoing Section 7.5(a), each Party shall use commercially reasonable efforts to notify the other Party or Parties of, and comply at the earliest practical date with, any request for additional information (including any informal or voluntary request or formal requests for additional information and documentary material) from the CPUC with respect to such CPUC filing or related proceeding. Sellers and Buyer shall provide each other with an opportunity to comment on any submission to the CPUC and shall promptly inform each other of any communication (oral or written) to, with or from the CPUC or other Governmental Entity, and provide copies of any written communication to, with or from, the CPUC or any other Governmental Entity regarding any such filings. No Party shall independently initiate or participate in any meeting or discussion, either in person, writing or by telephone, with any Governmental Entity in respect of any such filings, investigation, or other inquiry without giving the other Party or Parties prior notice of the meeting and discussion and, unless prohibited by such Governmental Entity, the opportunity to attend and participate. The Parties shall consult and cooperate with one another and jointly determine any strategies or tactics in connection with obtaining the expiration or termination of all applicable waiting periods with respect to the CPUC, including all applications, meetings, analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any Party relating to proceedings with the CPUC. No Party shall be obligated to share any information that reflects the value of the Transaction or contains attorney-client information or work product absent the entry of a mutually agreeable joint defense agreement.

(d) Buyer shall use commercially reasonable efforts to avoid impediments under the HSR Act or with respect to the CPUC, and to resolve any objection or assertion by any Governmental Entity or to resolve an action or proceeding by, any Governmental Entity or other person, whether by judicial or administrative action, challenging this Agreement or the consummation of the Transaction or the performance of obligations hereunder so as to enable the Closing to occur as soon as reasonably possible (and in any event not later than the Initial Outside Date or, as applicable, the Final Outside Date); *provided, that* in no event shall Buyer be required to divest any assets or portion of its business.

(e) Each Party shall be responsible for and shall pay all of its fees, expenses and costs in complying with this Section 7.5; *provided, that* Buyer shall pay all filing fees under the HSR Act and the California Public Utilities Code as may be required by the FTC and CPUC respectively.

(f) Promptly following the Execution Date and continuing through and after the Closing, the Parties shall take (or cause to be taken) all commercially reasonable actions to commence the process for obtaining Consents and transferring Permits and Franchise Agreements (or if applicable, obtaining new Permits or Franchise Agreements) with the goal of obtaining all

such items at or immediately after Closing, it being understood that it may not be possible to officially apply for or obtain some Consents, Permits and or Franchise Agreements until after Closing.

7.6 Public Announcements. Except as required under Section 7.5 or as set forth on Schedule 7.6 or as may be required by such Party or its Affiliates under applicable Law or stock exchange rules, no Party shall issue any press release or other public announcement with respect to this Agreement or the Transaction without the prior written approval of the other Parties, not to be unreasonably withheld; *provided*, *however*, that a Party may make public disclosure as may be necessary or appropriate in connection with customary presentations, meetings and conference calls with investors and analysts (in which case the disclosing Party will use its commercially reasonable efforts to allow the other Parties reasonable time to review and comment on the text of the proposed disclosure prior to making such disclosure).

7.7 Confidentiality.

(a) The Parties agree to be bound by the terms and conditions of that certain Confidentiality Agreement between Seller and Buyer Parent, entered into on February 9, 2018 (as amended, the "***Confidentiality Agreement***"). The Parties further agree that the terms and conditions of this Agreement, the Ancillary Agreements and all other transaction documents and all communications in connection with the negotiation of the foregoing shall be deemed "Confidential Information" as such term is defined in, and subject to, the terms of the Confidentiality Agreement. Effective upon the Closing, the Confidentiality Agreement shall terminate.

(b) From and after the Closing, the Parties shall, and shall cause their respective Affiliates and their respective Representatives to, keep confidential and not disclose any information to any Person related to the transaction contemplated herein (including any terms and conditions) or information related solely to such Party, except as may be approved by the other Party (the "***Restricted Information***"). The obligation to keep such Restricted Information confidential shall continue for two (2) years from the Closing Date and shall not apply to any information which (i) is in the public domain, (ii) is published or otherwise becomes part of the public domain through no fault of the disclosing Party or its Affiliates or (iii) becomes available to the disclosing Party or its Affiliates on a non-confidential basis from a source that did not acquire such information (directly or indirectly) from the non-disclosing Party or its Affiliates.

(c) Notwithstanding the foregoing, any Party may make disclosures (i) as required by applicable Law or any Governmental Entity and in connection with disputes hereunder; *provided, that* the Party requested to disclose Restricted Information, to the extent practicable, shall deliver to the other Parties notice at least ten (10) Business Days prior to the day the disclosing Party is to disclose any Restricted Information so that the other Parties may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Section 7.7 and (ii) to authorized directors, managers, officers, legal counsel, accountants and financial advisors of such Party or its Affiliates and, as to Buyer and its Affiliates, potential debt financing sources, limited partners, owners, and existing and potential investors in Buyer or its Affiliates or funds or accounts managed, advised or sub-advised by any Affiliate of Buyer.

7.8 Notice of Certain Events. After the Closing Date, each Party shall promptly notify the other Parties of all notices, communications or Actions initiated by any Governmental Entity and known to such Party with respect to the Business or the Acquired Group; *provided*, *that* Buyer shall be obligated to provide such notices to Sellers only to the extent related to the Excluded Assets, the Seller Assumed Liabilities or Sellers' indemnification obligations under this Agreement or any Ancillary Agreement.

7.9 Further Assurances. After the Execution Date, each Party shall take, or cause its Affiliates to take, such further actions, including obtaining Consents from Third Parties in accordance herewith, and execute such further documents as may be reasonably necessary or reasonably requested by any other Party in order to effectuate the intent of this Agreement and the Ancillary Agreements and to provide such other Party with the intended benefits of this Agreement and the Ancillary Agreements.

7.10 Tax Matters.

(a) Proration of Straddle Period Taxes. In the case of Taxes that are payable with respect to any Straddle Period, the portion of any such Taxes that is attributable to the portion of such Straddle Period ending immediately prior to the Closing Date shall be:

(i) in the case of Taxes that are either (A) based upon or related to income or receipts, or (B) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible), deemed equal to the amount that would be payable if the Tax period of the applicable member of the Acquired Group ended on the day immediately prior to the Closing Date; *provided*, *that* exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the period ending on the day immediately prior to the Closing Date and the period beginning on (and including) the Closing Date in proportion to the number of days in each period; and

(ii) in the case of Taxes that are imposed on a periodic basis with respect to the assets or capital of a member of the Acquired Group, deemed to be the amount of such Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), *multiplied by* a fraction the numerator of which is the number of days in the portion of the period ending on the day immediately prior to the Closing Date and the denominator of which is the number of days in the entire period.

(b) Refund and Tax Benefits.

(i) Any refunds of Taxes of a member of the Acquired Group that relate to any Pre-Closing Tax Period or to the portion of a Straddle Period that ends immediately prior to the Closing Date (determined in accordance with the principles set forth in Section 7.10(a)) shall be for the account of Sellers, and Buyer shall pay or cause to be paid over to Plains Marketing (for further distribution to Plains All American, if applicable) any such refund within fifteen (15) days after receipt or entitlement thereto to the extent Sellers have economically borne the applicable Tax, less the reasonable out-of-pocket costs of obtaining such Tax refunds.

(ii) Any refunds of Taxes of a member of the Acquired Group that relate to any Post-Closing Tax Period or to the portion of a Straddle Period beginning on (and including) the Closing Date (determined in accordance with the principles set forth in Section 7.10(a)) shall be for the account of Buyer.

(c) Tax Assistance. After the Closing Date, each of Buyer and Sellers shall provide such assistance as the other Party or Parties may from time to time reasonably request in connection with the preparation of Tax Returns required to be filed, any audit or other examination by any Taxing Authority, and any judicial or administrative proceeding, in each case, with respect to Taxes relating to a member of the Acquired Group. Such cooperation shall include making available employees on a mutually convenient basis to provide additional information and explanation of any material provided under this Agreement.

(d) Purchase Price Allocation. Buyer shall allocate the Purchase Price and any other items properly treated as consideration for U.S. federal income tax purposes, among the assets of the Acquired Group, and the covenant set forth in Section 7.17 in a manner consistent with the classes of assets described in Treasury Regulation Section 1.338-6 and in accordance with Section 1060 of the Code and the regulations promulgated thereunder (or any similar provision of local or state Tax law) (the "***Allocation***") and shall submit the proposed Allocation to Sellers not later than sixty (60) days after Closing, *provided, that* the consideration allocated to the covenant set forth in Section 7.17 shall not exceed $100,000. If, within thirty (30) days after the receipt of the proposed Allocation, Plains Marketing (on behalf of Sellers) notifies Buyer in writing that it disagrees with the proposed Allocation, then Buyer and Sellers shall attempt in good faith to resolve their disagreement within the fifteen (15) days following the notification to Buyer of such disagreement. If Plains Marketing (on behalf of Sellers) does not so notify Buyer within thirty (30) days of receipt of the proposed Allocation, or upon resolution of the dispute by Sellers and Buyer, the proposed Allocation shall become the final Allocation (the "***Purchase Price Allocation***"). If Sellers and Buyer are unable to resolve their disagreement within the fifteen (15) days following any such notification by Plains Marketing (on behalf of Sellers), the dispute shall be submitted to a mutually agreed nationally recognized independent accounting firm, for resolution within fifteen (15) days of such submission, which resolution shall be final, binding and non-appealable. Each of Buyer and Sellers shall reasonably cooperate with the other Party or Parties to facilitate a prompt determination of the Allocation. The fees, costs and expenses of the accounting firm retained to resolve any dispute with respect to the Allocation, if applicable, shall be borne equally by Sellers, on the one hand, and Buyer, on the other. Sellers and Buyer (i) shall use commercially reasonable efforts to update the Purchase Price Allocation in accordance with Section 1060 of the Code following any adjustment to the Purchase Price pursuant to this Agreement and (ii) shall, and shall cause their respective Affiliates to, report consistently with the Purchase Price Allocation, as adjusted, in all Tax Returns, including the original statement of assets transferred and any supplemental statement reported on IRS Form 8594 (Asset Acquisition Statement under Section 1060 of the Code), which Buyer and Sellers shall timely file with the IRS, and neither Buyer nor Sellers shall take any position in any Tax Return that is inconsistent with the Purchase Price Allocation, as adjusted, unless required to do so by a (x) change in Law occurring after the date of the determination of the Purchase Price Allocation or (y) final determination as defined in Section 1313 of the Code; *provided, however,* that no Party shall be unreasonably impeded in its ability and discretion to negotiate, compromise and/or settle any Tax audit, claim or similar proceedings in connection with such allocation.

(e) Tax Returns.

(i) Sellers shall prepare or cause to be prepared and file or cause to be filed all Seller Consolidated Returns.

(ii) Sellers shall prepare or cause to be prepared all Tax Returns of the members of the Acquired Group for any Pre-Closing Tax Period (other than the Tax Returns set forth in Section 7.10(e)(i)) required to be filed after the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practices except to the extent otherwise required by applicable Law. At least ten (10) days prior to the due date (taking into account applicable extensions) for filing any such Tax Return (other than Tax Returns relating to sales, use, payroll, or other Taxes that are required to be filed contemporaneously with, or promptly after, the close of a Tax period, which shall be provided promptly after filing), Sellers shall submit a draft of such Tax Return, together with all supporting documentation and workpapers, to Buyer for its review and comment. Sellers shall consider in good faith all reasonable comments provided by Buyer with respect to such Tax Returns. Buyer shall (x) cause such Tax Return (as revised to incorporate Buyer's reasonable comments) to be timely filed and will provide a copy thereof to Sellers and (y) subject to Buyer's indemnification rights under Article XI, timely pay the Taxes shown due thereon. If required by applicable Law, Sellers shall join in the execution of any such Tax Return.

(iii) Buyer shall prepare or cause to be prepared all Tax Returns of the members of the Acquired Group for any Straddle Period. All such Tax Returns shall be prepared in a manner consistent with past practices except to the extent otherwise required by applicable Law. At least ten (10) days prior to the due date (taking into account applicable extensions) for filing any such Tax Return (other than Tax Returns relating to sales, use, payroll, or other Taxes that are required to be filed contemporaneously with, or promptly after, the close of a Tax period, which shall be provided promptly after filing), Buyer shall submit a draft of such Tax Return, together with all supporting documentation and workpapers, to Plains Marketing for review and comment. Buyer shall consider in good faith all reasonable comments provided by Plains Marketing with respect to such Tax Returns. Buyer shall cause (x) such Tax Return (as revised to incorporate Sellers' reasonable comments) to be timely filed and will provide a copy thereof to Sellers and (y) subject to Buyer's indemnification rights under Article XI, timely pay the Taxes shown due thereon. If required by applicable Law, Sellers shall join in the execution of any such Tax Return.

(f) Tax Contests. With respect to any Tax Contest of or with respect to any member of the Acquired Group that (i) solely relates to a Pre-Closing Tax Period and/or (ii) relates to ad valorem, property or similar Taxes pertaining to a Straddle Period with respect to the properties and corresponding jurisdictions set forth on Schedule 5.2(b)(v) as of the Execution Date (a "***Seller-Controlled Tax Contest***"), Plains Marketing shall have the right, at its sole cost and expense, to control the prosecution, settlement and compromise of such Tax Contest; *provided*, *that* if a Seller-Controlled Tax Contest (A) relates to a Pre-Closing Tax Period, is not set forth on Schedule 5.2(b)(v) and could reasonably be expected to materially adversely impact Buyer (or any Affiliate thereof), the Business, or the Acquired Group in a Post-Closing Tax Period or (B) relates to a Straddle Period, then (1) Buyer shall have the right to participate, at its sole cost and expense, in any such Seller-Controlled Tax Contest and Plains Marketing shall keep Buyer reasonably informed as to such Seller-Controlled Tax Contests, including by providing copies of material

correspondence or other notifications received from Governmental Entities pertaining to same, and (2) Plains Marketing shall not settle any such Seller-Controlled Tax Contest without Buyer's prior written consent, which shall not be unreasonably, withheld, conditioned or delayed. At Sellers' sole cost and expense, Buyer shall take such action in connection with any Seller-Controlled Tax Contest as Plains Marketing shall reasonably request to implement the preceding sentence, including the selection of counsel and experts and the execution of powers of attorney. Buyer shall have the right to control the prosecution, settlement and compromise of any Tax Contest of or with respect to the Business or any member of the Acquired Group that is not a Seller-Controlled Tax Contest; *provided*, *that* (x) Plains Marketing shall have the right to participate, at its sole cost and expense, in any such Tax Contest pertaining to a Straddle Period, and that Buyer shall keep Plains Marketing reasonably informed as to such Tax Contests, including by providing copies of material correspondence or other notifications received from Governmental Entities pertaining thereto, and (y) Buyer shall not settle any such Tax Contest without Plains Marketing's prior written consent, which shall not be unreasonably, withheld, conditioned or delayed. Buyer shall give written notice to Plains Marketing of the receipt of any notice of any audit, examination, claim or assessment relating to any Pre-Closing Tax Period or Straddle Period within ten (10) days after receipt of such notice. Failure by Buyer to give any such written notice within such ten (10) day period shall limit Sellers' indemnification obligations pursuant to this Agreement solely to the extent Sellers are actually prejudiced by such failure. This Section 7.10(f) shall govern Tax Contests. To the extent that any other provision of this Agreement conflicts with this Section 7.10(f) with respect to Tax Contests, the provisions of this Section 7.10(f) shall control.

(g) Additional Tax Covenants.

(i) Tax Sharing Agreements. Any Tax sharing, Tax indemnity, Tax allocation or similar agreements (whether oral or written) with respect to the Business or any member of the Acquired Group shall be terminated prior to the Closing.

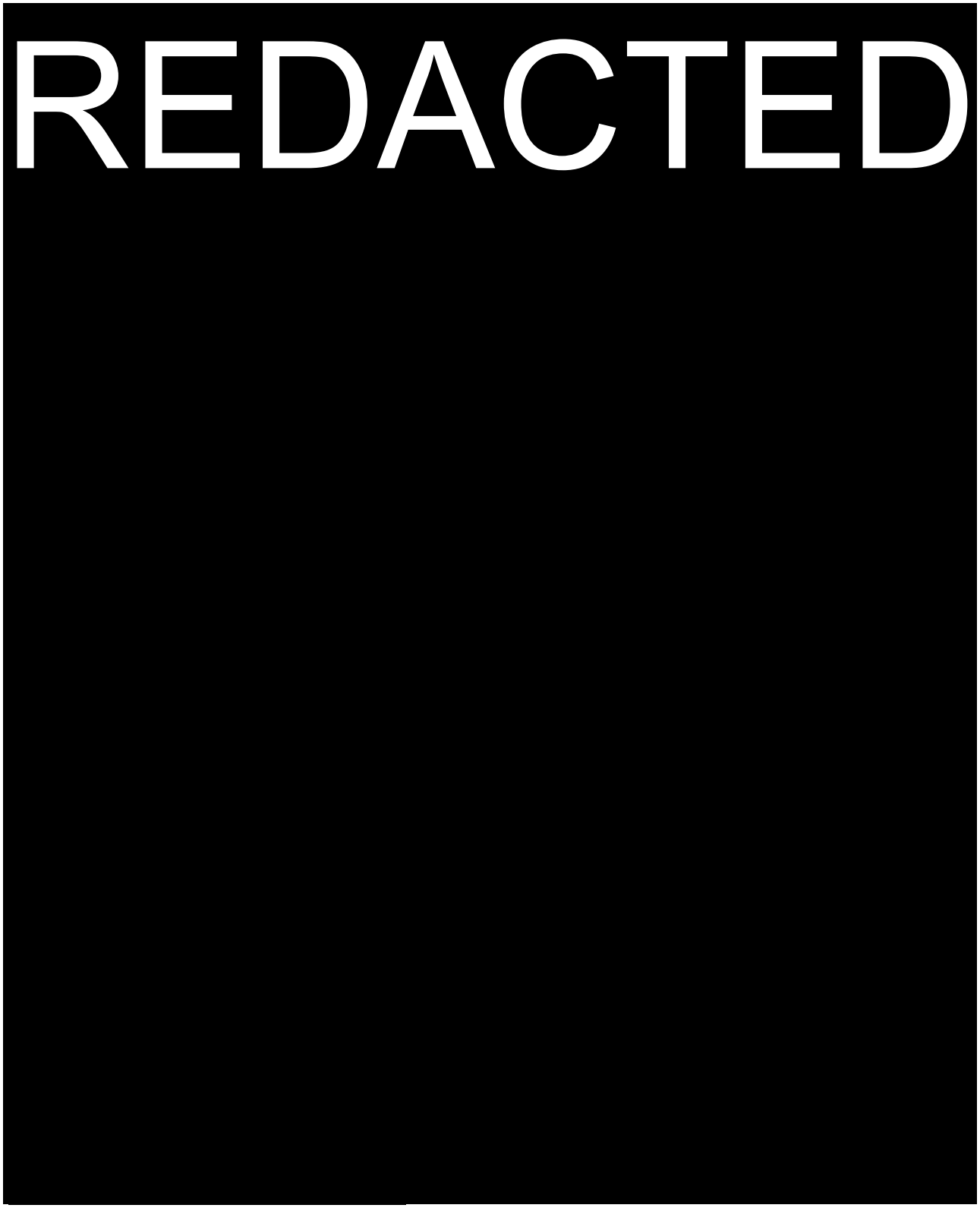
(ii) Withholding. Notwithstanding anything to the contrary contained herein, Buyer shall be entitled to deduct and withhold from payments made in connection with the Transaction or the Transaction Documents such amounts as it reasonably determines it is required to deduct and withhold with respect to the making of such payment under the Code and any other applicable Tax Law, *provided, that* in the event Buyer determines that any such withholding is required, Buyer shall notify Plains Marketing in writing of the amount of and reason for such withholding no later than five (5) days before the relevant payment is due. In the event Sellers disagree with Buyer's determination that any such withholding is due, Buyer and Sellers shall cooperate in good faith to (A) determine the correct amount, if any, of such withholding and (B) minimize, to the extent permissible under applicable Law, the amount of any such deduction or withholding. To the extent that amounts are so deducted and withheld by Buyer and paid to the appropriate Governmental Entity, such deducted and withheld amounts shall be treated for all purposes of this Agreement and the Transaction Documents as having been paid to the Person in respect of which such deduction and withholding was made.

(iii) Amended Returns. No amended Tax Return with respect to a Pre-Closing Tax Period or Straddle Period shall be filed by or on behalf of any member of the Acquired Group without the prior written consent of Plains Marketing, which consent shall not be unreasonably withheld, conditioned or delayed.

(iv) BOE Statement Filed by Buyer Post-Closing. At or prior to the Closing, Buyer shall (A) file a BOE-100-B, Statement of Change in Control and Ownership of Legal Entities, with the California Board of Equalization for each member of the Acquired Group and (B) provide a copy of each such statement (as filed) to Plains Marketing within ten (10) days following the filing thereof.

(v) Powers of Attorney. Sellers shall cause each power of attorney with respect to any Tax matters granted in respect of the members of the Acquired Group to be terminated as of the day prior to the Closing Date.

7.11 Real Estate Matters. Sellers shall use commercially reasonable efforts, at Buyer's sole cost and expense (except for Sellers' internal costs, which shall remain the responsibility of Sellers), to cooperate with Buyer in connection with Buyer's efforts (a) to obtain surveys of and information and documentation relating to all Owned Real Property, Easement Real Property and Leased Real Property, or, at Buyer's sole discretion, any portion thereof, and (b) with respect to properties covered by the Title Reports, to obtain from the Title Company an irrevocable commitment to issue title insurance consistent with the form of the applicable Title Reports, and any other title insurance reasonably requested by Buyer to cover parcels of real property owned by the Acquired Entities adjacent to a property covered by a Title Report REDACTED) (collectively, the "***Title Insurance***"); *provided, however*, that in no event shall Sellers' obligation to use commercially reasonable efforts require that Sellers assume, create or incur any liability to any Person in connection therewith, and without limiting the foregoing, except as expressly provided in this Section 7.11, Sellers shall be under no obligation to request, or to cooperate with Buyer to obtain or procure, any consents, estoppels or any similar instruments from any Person in connection with the procurement of such title commitments or the issuance of any title insurance policies in connection therewith, other than delivering a request to third parties on Buyer's behalf to the extent Buyer shall so request. Buyer shall use commercially reasonable efforts to procure irrevocable commitments for the Title Insurance as promptly as practicable following the Execution Date. All costs incurred in connection with obtaining standard title coverage, including survey and Title Insurance costs, shall be borne by Buyer, and Buyer shall also be responsible for any additional premium required to secure extended title coverage, together with the cost of any endorsements requested by Buyer. To the extent requested by the Title Company and reasonably required to issue title insurance policies reasonably requested by Buyer, Sellers shall execute and deliver to the Title Company such affidavits, in form and substance, as may be mutually agreed by Buyer and Sellers, and use commercially reasonable efforts (without any liability or cost to Sellers, other than Sellers' internal costs) to cooperate with Buyer in connection with Buyer's efforts to obtain prior to Closing in form and substance reasonably acceptable to Buyer and the Title Company any estoppel certificates reasonably requested by the Title Company, such cooperation to include delivery and collection of such certificates to the parties executing and returning the same; *provided*, *however*, that in no event shall Sellers be required to execute and deliver any affidavit (other than affidavits in form and substance as have been mutually agreed by Buyer and Sellers), certificate or other documentation to the extent any of the same would subject Sellers to any liabilities to the Title Company that would exceed the liabilities that Sellers would have to Buyer under and in accordance with the terms of this Agreement with respect to the matters covered therein. REDACTED



7.12 Casualty Loss.

(a) If, during the Interim Period, all or any portion of the Acquired Group's assets and properties are damaged or destroyed in whole or in part (the portion so damaged or

destroyed, the "***Damaged Portion***"), whether by fire, theft, vandalism, flood, wind, explosion or other casualty (a "***Casualty Event***"), Sellers shall notify Buyer promptly in writing (a "***Casualty Event Notice***") of the Casualty Event. The Casualty Event Notice shall include: (i) a reasonable description of the facts and circumstances surrounding the Casualty Event; (ii) Sellers' preliminary assessment of the effect of the Casualty Event on the Acquired Group's assets or properties; and (iii) Sellers' preliminary assessment of whether, and the extent to which, any losses sustained as a result of such Casualty Event are covered by one or more insurance policies (including property/casualty and workers' compensation policies) maintained immediately prior to the Closing by Sellers.

(b) If (i) the Damage Amount due to a Casualty Event is greater than ten percent (10%) of the Base Purchase Price and (ii) Sellers reasonably expect the Damaged Portion resulting from such Casualty Event can be fully repaired or restored in accordance with applicable Laws on or before the date that is one hundred eighty (180) days following the occurrence of the Casualty Event (the "***Casualty Event Termination Date***"), then Buyer may elect, in its sole discretion, to either (A) repair and restore such Damaged Portion at Buyer's expense, and Buyer shall be entitled to all of the insurance proceeds which Sellers or any of their respective Affiliates actually receive with respect to such Casualty Event, or (B) notify Sellers that Buyer does not elect to repair and restore such Damaged Portion, at which time Sellers can elect to either (1) repair or restore such Damaged Portion by the Casualty Event Termination Date, or (2) not repair or restore such Damaged Portion by the Casualty Event Termination Date. If Sellers reasonably expect the Damaged Portion resulting from a Casualty Event cannot be fully repaired or restored in accordance with applicable Laws on or before the Casualty Event Termination Date, then (x) either Buyer or Sellers may terminate this Agreement or (y) the Parties may agree to a mutually acceptable solution related thereto.

(c) If, with respect to any Casualty Event where the Damage Amount is greater than ten percent (10%) of the Base Purchase Price that Buyer elected not to repair and restore such Damaged Portion, and Sellers elect to repair or restore such Damaged Portion by the Casualty Event Termination Date, then (i) Sellers shall promptly commence and diligently execute the repair and/or restoration of such Damaged Portion to the condition thereof immediately prior to such Casualty Event in a good and workmanlike manner and in accordance with applicable Laws at its sole cost and expense, (ii) Sellers shall be entitled to all of the insurance proceeds with respect to such Casualty Event, (iii) such Casualty Event shall have no effect for purposes of determining whether Buyer's conditions to Closing set forth in Section 9.1 or Section 9.2 have been fulfilled and (iv) the Closing and the Initial Outside Date or the Final Outside Date, as applicable, shall be delayed for such reasonable time as is necessary for Sellers to complete any such repair or restoration but in no event beyond the Casualty Event Termination Date.

(d) If, with respect to any Casualty Event where the Damage Amount is greater than ten percent (10%) of the Base Purchase Price that Buyer elected not to repair and restore such Damaged Portion, and Sellers elect not to repair or restore such Damaged Portion by the Casualty Event Termination Date, then Buyer may elect by notice to Sellers not later than fifteen (15) days after Buyer's receipt of Sellers' election not to repair or restore such Damaged Portion to either (i) proceed to the Closing, and (A) no Party's rights or obligations under this Agreement shall be affected in any way, (B) no breach of any representations or warranties under this Agreement shall be deemed to have occurred as a result of such Casualty Event, (C) Sellers shall be entitled to all

of the insurance proceeds with respect to such Casualty Event and (D) there shall be a reduction in the Purchase Price equal to the amount of the Damage Amount, or (ii) elect not to consummate the Closing, at which time either Buyer or Sellers may terminate this Agreement.

(e) If the Damage Amount due to a Casualty Event is ten percent (10%) of the Base Purchase Price or less, then (i) no Party's rights or obligations under this Agreement shall be affected in any way, (ii) no breach of any representations or warranties under this Agreement shall be deemed to have occurred as a result of such Casualty Event, (iii) Buyer shall be entitled to all of the collected insurance proceeds with respect to such Casualty Event and (iv) there shall be no change to the Purchase Price.

(f) If a Casualty Event occurs that is greater than fifteen percent (15%) of the Base Purchase Price, notwithstanding anything herein to the contrary, this Agreement may be terminated at the written election of either Buyer or Sellers delivered to the other Party or Parties.

7.13 Financing Cooperation. Prior to the Closing and subject to the terms of the Confidentiality Agreement, Sellers shall, and shall cause the Acquired Group to, use commercially reasonable efforts to cooperate, at Buyer's expense, with Buyer and its advisors in connection with the arrangement of debt financing in respect of the Transaction or the Acquired Group by Buyer with one or more Debt Financing Sources (the "***Debt Financing***") as may be reasonably requested by Buyer or the Debt Financing Sources including using commercially reasonable efforts in (a) furnishing Buyer and the Debt Financing Sources as promptly as practicable with such financial information regarding the Business or the Acquired Group as Buyer shall reasonably request from Sellers, and other customary documents (in the case of such other documents, to the extent reasonably requested by Buyer), to allow Buyer to prepare a quality of earnings report with respect to the Acquired Group and to consummate the Debt Financing at the time the Debt Financing is to be consummated; (b) assisting Buyer or the Debt Financing Sources in the preparation of (i) offering documents, private placement memoranda, bank information memoranda and similar documents required in connection with the Debt Financing, (ii) materials for rating agency presentations and (iii) a quality of earnings report; (c) cooperating with Buyer in facilitating the granting of a security interest (and perfection thereof) in collateral, guarantees, mortgages, other definitive financing documents or other certificates or documents as may be reasonably requested by Buyer; and (d) providing Buyer with documentation and other information with respect to Sellers or the Acquired Group as shall have been reasonably requested by Buyer that is required in connection with the Debt Financing by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations. Notwithstanding the foregoing, Sellers shall not be required to provide any cooperation or assistance under this Section 7.13 to the extent doing so would (A) unreasonably interfere with Sellers' ongoing business or operations; (B) require Sellers to take any action that would conflict with or violate any Law or subject any director, manager, officer or employee of Sellers or their respective Affiliates to any actual personal liability; (C) require providing access to or disclosing information that Sellers reasonably determine could jeopardize any attorney client privilege of, or conflict with any confidentiality requirements (not created in contemplation hereof) applicable to, either Seller; (D) require Sellers to take any action that would reasonably be expected to result in a breach of any Contract or subject Sellers to actual or potential liability, to bear any cost or expense or to pay any commitment or other similar fee or make any other payment (other than reasonable out-of-pocket costs that are reimbursed by Buyer) or incur any other liability of any kind or provide or agree to provide any

indemnity; (E) require Sellers to execute prior to the Closing any definitive financing documents, including any credit or other agreements, pledge or security documents; (F) require Sellers or their respective Affiliates or Representatives to prepare or deliver any financial statements or prepare any *pro forma* financial information or projections (other than the Carve-Out Financial Statements), which shall be the sole responsibility of Buyer; (G) require Sellers or their respective Affiliates or Representatives to deliver any certificate, document, instrument or agreement if any representation and warranty or certification set forth therein would be inaccurate in any material respect; (H) require Sellers or their respective Affiliates or Representatives to pay any fees or expenses or reimburse any expenses prior to the Closing that are not promptly reimbursed by Buyer or otherwise require any such Persons to incur any liabilities or give any indemnities prior to Closing; or (I) require Sellers or their respective Affiliates to enter into any resolutions or take similar action. Notwithstanding this Section 7.13 (and Sellers' agreement to cooperate with Buyer's efforts regarding debt financing), there is no financing contingency or condition precedent for the benefit of Buyer. Buyer shall promptly reimburse Sellers for all costs and expenses (including internal costs and expenses, which shall be billed at a rate of $100 per hour) incurred in connection with the preparation of the Carve-Out Financial Statements upon receipt from Sellers of a reasonably detailed invoice (or invoices) for such costs and expenses.

7.14 Integrity Management Plan.

(a) Sellers shall complete or cause to be completed each of the Identified Repairs in accordance with the time periods set forth on Schedule 7.14 in a safe and workmanlike manner, in conformity with federal and state Law and generally accepted pipeline industry standards, and consistent in all material respects with the manner in which similar repairs were completed by or on behalf of Sellers or their respective Affiliates during the twelve (12) months immediately preceding the Execution Date, including using commercially reasonable efforts to (i) obtain warranties from any contractors performing any portion of the Identified Repairs that are consistent with the warranties obtained by Sellers from contractors performing similar repairs in the twelve (12) months immediately preceding the Execution Date, and (ii) cause the Acquired Group to be subrogated with respect to, and otherwise receive the benefit of, any such warranties, it being acknowledged and agreed by Buyer (on its behalf and, following the Closing, on behalf of the Acquired Entities) that Sellers are not warranting to Buyer the quality of the work done to complete any such Identified Repairs. The Identified Repairs also shall include any hydrostatic pressure test or other test, evaluation, analysis or notification to the extent required by OSFM or PHMSA or under any applicable Law to lift any restrictions on the operating or maximum operating pressures of the applicable segments of the PWCT Pipeline System that restrict such segments from operating at a pressure of 800 pounds per square inch. Sellers shall be entitled to receive any surcharge paid by customers of the Business in connection with the Identified Repairs or any Special Permit Required Repairs completed by Sellers prior to Closing. If any Identified Repairs remain uncompleted as of the Closing, then the Parties shall enter into (or shall cause their respective Affiliates to enter into) customary access agreements, in substantially the form attached hereto as Exhibit I, for purposes of enabling Sellers or their respective Affiliates to complete or cause to be completed any remaining Identified Repairs. For the avoidance of doubt, any costs stated on Schedule 7.14 do not limit Sellers' obligations to complete the Identified Repairs at the Sellers' expense in accordance with this Agreement.

(b) Sellers and Buyer shall cooperate and consult with each other regarding the Identified Repairs. Sellers shall provide Buyer with all material books and records associated with the completion of the Identified Repairs as reasonably requested by Buyer from time to time after the Closing Date. Sellers shall use commercially reasonable efforts to assign or cause to be assigned to the applicable Acquired Entity at or before Closing (or, if received by Sellers or any of their Affiliates after Closing, upon receipt by Sellers or any of their Affiliates) any warranties obtained by Sellers or any of their Affiliates pursuant to any contracts to perform any portion of the Identified Repairs to the extent such warranties are assignable under the applicable contracts. Within thirty (30) days after each calendar quarter after the Execution Date during which any Identified Repairs are completed, Sellers shall provide Buyer with a statement (each, an "***Identified Repair Status Statement***") showing the status of the Identified Repairs, including, for each specific Identified Repair, an analysis of work performed or completed as of the last day of such calendar quarter. Buyer shall have right to provide comments to Sellers within thirty (30) days of receiving an Identified Repair Status Statement if Buyer believes in good faith that the work has not been done in a safe and workmanlike manner, in conformity with federal and state Law and consistent with generally accepted pipeline industry standards. Sellers shall correct or cause to be corrected any Identified Repairs that, upon the advice of the Independent Engineer or legal counsel selected by Sellers and reasonably satisfactory to Buyer, do not conform with applicable federal or state Law or do not meet generally accepted pipeline industry standards.

(c) Following the Execution Date, Sellers shall use commercially reasonable efforts to, as promptly as practicable, (i) file with OSFM the Special Permit Application and (ii) obtain the Special Permit. No later than sixty (60) days following receipt of the Special Permit, Sellers shall deliver to Buyer in writing their reasonable and good faith estimate of the Special Permit Repair Amount (the "***Special Permit Repair Amount Estimate***").

(d) With respect to any Special Permit Required Repairs undertaken by Sellers prior to the Closing, such Special Permit Required Repairs will be made in a safe and workmanlike manner, in conformity with federal and state Law and generally accepted pipeline industry standards, and consistent in all material respects with the manner in which similar repairs were completed by or on behalf of Sellers or their respective Affiliates during the twelve (12) months immediately preceding the Execution Date, including using commercially reasonable efforts to (i) obtain warranties from any contractors performing any portion of the Special Permit Required Repairs that are consistent with the warranties obtained by Sellers from contractors performing similar repairs in the twelve (12) months immediately preceding the Execution Date, and (ii) cause the Acquired Group to be subrogated with respect to, and otherwise receive the benefit of, any such warranties, it being acknowledged and agreed by Buyer (on its behalf and, following the Closing, on behalf of the Acquired Entities) that Sellers are not warranting the quality of the work done to complete any such Special Permit Required Repairs. Sellers and Buyer shall reasonably cooperate and consult with each other regarding the Special Permit Required Repairs undertaken by Sellers or their Affiliates prior to the Closing and by Buyer or its Affiliates following the Closing. Sellers shall provide Buyer with all material books and records, including all books and records required to be maintained to comply with any applicable Law, to the extent relating to any Special Permit Required Repairs that are completed prior to the Closing as reasonably requested by Buyer from time to time after the Closing Date. Sellers shall use commercially reasonable efforts to assign or cause to be assigned to the applicable Acquired Entity at or before the Closing (or, if received by Sellers or any of their Affiliates after the Closing, as soon as practicable

following receipt by Sellers or any of their Affiliates) any warranties obtained by Sellers or any of their Affiliates pursuant to any contracts to perform any portion of the Special Permit Required Repairs undertaken by Sellers or their Affiliates prior to the Closing to the extent such warranties are assignable under the applicable contracts. Buyer shall provide Sellers a reasonable opportunity to review Buyer's or its Affiliates' plans with respect to any Special Permit Required Repairs following the Closing and shall consider in good faith any comments thereto provided by Sellers; *provided*, *however*, that Buyer shall not be obligated to incorporate or include any comments provided by Sellers.

7.15 Affiliate and Third Party Assets.

(a) As depicted on Schedule 7.15(a), pipelines 63, 93 and 2000, which are owned by Pacific Pipeline (the "***PPS Common Carrier System***"), share a connection point with certain Pipelines owned by Plains West Coast at the LA Terminal System at (i) the Del Amo manifold ("***Del Amo Manifold***") and (ii) at the EPTC Station ("***EPTC Connection***").

(b) During the Interim Period:

(i) Sellers and Buyer will negotiate the form of a joint facilities agreement with respect to each of the Del Amo Manifold and EPTC Connection to be entered into on Closing by Pacific Pipeline and Plains West Coast on terms reasonably acceptable to Sellers and Buyer and that will address, among other things, (w) the sharing of power and costs for the Acquired Group's and for Pacific Pipeline's pipeline assets at the Del Amo Manifold and the EPTC Connection in a manner consistent with all applicable state utility laws and regulations and the tariffs of the applicable serving electric utility (and the use of commercially reasonable efforts following the Closing to enter into mutually acceptable arrangements to establish separate power supply arrangements), (x) any facilities, services, equipment or properties that will be used jointly by the two parties at such sites, (y) provide for the grant to each other of licenses or easements with respect to any pipelines or facilities of each party that is located on real property interests to be held by the other party, and (z) provide for a shared monitoring or signal system for the parties' respective pipelines and facilities at such locations, or if a shared system is not feasible or legally permissible, provide for the parties' to cooperatively implement separate monitoring or signal systems at such locations, in each case that will allow each party or its respective Affiliates to meet current or future applicable regulatory requirements;

(ii) to the extent possible, Sellers and Buyer shall take or cause to be taken prior to Closing the actions set forth on Schedule 7.15(b) and any other actions reasonably acceptable to Sellers and Buyer, to separate the operation of the pipeline assets of Pacific Pipeline at the Del Amo Manifold and EPTC Connection from the operation of the assets of Plains West Coast at such locations; *provided, that* (x) the Acquired Group shall retain access to the PPS Common Carrier Systems. and (y) any facilities at such locations that are needed for the continued use and operations of both Plains West Coast and Pacific Pipeline shall be governed by the joint use agreements described in Section 7.15(b)(i);

(c) Buyer shall use commercially reasonable efforts to cooperate with Sellers and their respective Affiliates in connection with the foregoing. Sellers shall be responsible for,

and shall indemnify the Acquired Group from, any Losses or other liabilities associated with the transactions contemplated by this Section 7.15; and

(d) Sellers and Buyer shall use commercially reasonable efforts to, effective as of the Closing, (i) engage an alternative service provider for Plains West Coast with respect to the services provided to Plains West Coast under the Calpine Agreement as of the Execution Date on commercially reasonable terms and (ii) following or concurrently with the consummation of the foregoing clause (i), terminate Plains West Coast as a party to the Calpine Agreement. Following the Execution Date and prior to the Closing Date, Sellers shall terminate the PWCT Sublease such that following such termination Plains West Coast shall have no further liabilities or obligations under such PWCT Sublease.

7.16 Relocation Projects. Following the Closing, Buyer shall relocate the following pipelines in accordance with the relocation plans set forth on Schedule 7.16 or as otherwise reasonably determined by Buyer (the "***Relocation Projects***"): (a) L529 and L536 and (b) L530 and L536. Sellers shall reimburse Buyer, within thirty (30) days of receipt of any invoice from Buyer, for Buyer's actual costs incurred (and not reimbursed by Third Parties) in connection with (i) the Relocation Projects and (ii) any need to relocate L530 based on a change in circumstances or engineering analysis from that reflected in the preliminary engineering plans, so long as such costs were incurred within the five (5) year period following the Closing and invoices with respect thereto are delivered to Sellers within thirty (30) days following Buyer's payment of such costs.

7.17 Restrictive Covenants.

(a) Until the fourth (4th) anniversary of the Closing Date ("***Restriction Period***"), Sellers and Sellers' Affiliates (collectively, the "***Restricted Parties***") shall not, and shall not permit any of their Affiliates to, directly or indirectly: (i) provide terminaling or storage services of crude oil or VGO at the West Hynes Terminal or divert or otherwise take away from Buyer the business or patronage of any customer at the LA Terminal System, or attempt to do so; or (ii) invest in or lend to or otherwise provide financing or capital to or become an owner, interest holder, officer, director, manager, agent, representative, advisor, consultant, lessor, licensor, or partner of, to or in any Person engaging in terminaling or storage services or crude oil and/or VGO at the LA Terminal System; *provided, however*, that nothing in this Section 7.17 shall prohibit Sellers or any of their respective Affiliates from (A) directly or indirectly engaging in any of the activities set forth on Schedule 7.17, or owning any interest in, managing, controlling or operating any business that is engaging in the activities set forth on Schedule 7.17, in each case, to the extent Sellers or any of their respective Affiliates engage in such activities or own, manage, control or operate such competitive business as of the Closing Date, or (B) directly or indirectly acquiring, merging or consolidating with any Person, a majority of whose annual revenues are generated from businesses not related to terminaling and/or storage services or crude oil and/or VGO at the LA Terminal System.

(b) Each Restricted Party will include a provision reflecting the restrictions set forth in Section 7.17(a) for the duration contemplated thereby in any future sale, transfer or other disposition of any assets comprising the West Hynes Terminal to a third party as to which Buyer shall be an express third party beneficiary, and will not take any action the primary effect of which would reasonably be expected to frustrate or evade the restrictions set forth in such Section 7.17(a).

(c) Each Seller acknowledges and agrees that: (i) such Seller is deriving substantial value and proceeds from the Transaction; (ii) the restrictions (including the duration, geographic scope, and activity restrictions) applicable to such Seller in this Section 7.17 are necessary, fair, reasonable, fundamental and required for the protection of the Acquired Group after the Execution Date; (iii) such restrictions relate to matters that are of a special, unique and extraordinary value; (iv) Buyer has required that such Seller agree to such restrictions, and such Seller has voluntarily agreed to such restrictions; and (v) Buyer would not consummate the Transaction if such Seller did not enter into such restrictions.

(d) Each Seller agrees that a breach by such Seller or its Affiliates of any covenant set forth in this Section 7.17 would cause irreparable harm to Buyer, that Buyer's remedies at law upon any such breach would be inadequate, and that, accordingly, upon any such breach, a restraining order or injunction or both may be issued against such Seller or such Affiliate, in addition to any other rights and remedies which are available to Buyer at law or in equity. The Parties specifically agree that the restrictions set forth in this Section 7.17 are reasonable, appropriate and narrowly-tailored but that if a court of competent jurisdiction finds this Section 7.17 more restrictive than permitted by the applicable Laws of any jurisdiction in which Buyer seeks enforcement hereof, this Section 7.17 will be limited to the extent required to permit maximum enforcement thereof under such applicable Laws. If a court of competent jurisdiction refuses to enforce any of the covenants throughout the full length of the Restriction Period, the Parties agree that the Restriction Period will be deemed amended to the longest period that is permissible. In addition, and without limiting any other remedies, the Restriction Period with respect to each Seller shall be extended for the period equal to the time period (if any) that such Seller or its Affiliate is in breach of this Section 7.17.

7.18 Non-Solicitation and Non-Hire of Employees. For a period of two (2) years from the Execution Date, without the prior written consent of Buyer, on the one hand, or Sellers, on the other hand, neither Buyer nor Sellers shall, and Buyer and Sellers shall cause their respective Affiliates not to, directly or indirectly, solicit or hire, or attempt to solicit or hire, any person (except for, in the case of Buyer, the Transferred Employees) with whom such Party (the "***Hiring Party***") came into direct contact in connection with the Transaction who is (or was at any time during such two (2) year period) an employee of another Party or such Party's Affiliates or subsidiaries, excluding any such employees who were terminated by such other Party. Notwithstanding the foregoing, a Hiring Party shall not be precluded from soliciting or hiring any such employee who (a) responds to an advertisement or other general solicitation not targeted to employees of another Party (or its Affiliates) or (b) is referred by a search firm, employment agency or similar entity so long as such Persons have not been directly or indirectly instructed by the Hiring Party or any of its Affiliates to solicit such employee.

ARTICLE VIII
EMPLOYMENT MATTERS

8.1 Employees. Schedule 8.1(a) contains the names and job titles of all employees of Sellers or one of their respective Affiliates located in Los Angeles County whose employment directly involves the operation of one or more members of the Acquired Group and who will be available to transfer to Buyer in connection with the Transaction (collectively, the "***Employees***"), including employees who are receiving short-term disability benefits or are on approved family

and medical, administrative or military leave or any other type of leave that entitles the employee to reinstatement upon completion of the leave under the applicable leave policies of a Seller or a Seller's Affiliates (collectively, "***Leave***"). Schedule 8.1(b) contains the names and job status of all employees of Sellers or one of their respective affiliates located in Los Angeles County whose employment directly involves the operation of one or more members of the Acquired Group who will not be available to transfer to Buyer in connection with the Transaction (collectively, the "***Excluded Employees***"). Not later than the earlier of (a) ninety (90) days following the Execution Date and (b) the date on which a prehearing conference date is set with the CPUC for the Transaction, but in any event at least ninety (90) days prior to Closing, Sellers shall update Schedule 8.1(a) to provide, for each Employee, his or her location, years of service, status as active or on Leave (and if on Leave, their expected date of return), annualized salary or hourly wage rate, target bonus opportunity classification as exempt or non-exempt under the federal Fair Labor Standards Act, as amended, visa type (if any), and indication of whether part-time or full-time.

8.2 Employment Offers to Active Employees. Buyer covenants that not later than ten (10) days prior to the Closing Date, Buyer shall extend a written offer of employment with Buyer or Buyer's Affiliates, effective as of the Closing Date, to active Employees except for the Excluded Employees, at the same or better salaries or wages, with similar duties and responsibilities, at the same location and on the same status (*e.g.*, full-time or part-time), as provided by Sellers or their respective Affiliates (including the Acquired Group) immediately prior to the Closing Date. All Employees who accept employment with Buyer or its Affiliates, pursuant to the offers described either in this Section 8.2 or Section 8.3 are referred to herein as "***Transferred Employees***." Buyer covenants that no Transferred Employee's initial salary or wages as an employee of Buyer or its Affiliate shall be reduced during the twelve (12) month period after the Closing Date. Buyer covenants that Buyer shall offer each active Employee no less than three (3) days in which to accept or reject Buyer's employment offer.

8.3 Employment Offers to Employees on Leave. In addition, Buyer covenants that not later than ten (10) days prior to the Closing Date, Buyer shall extend a written offer of employment with Buyer or one of its Affiliates to each Employee who is on Leave as of the Closing Date except for the Excluded Employees, commencing at such time as such Employee is ready to return to work, at the same or better salaries or wages, with similar duties and responsibilities, at the same location and on the same status (*e.g.*, full-time or part-time), as provided by Sellers or their respective Affiliates immediately prior to the commencement of such Employee's Leave; *provided*, *however*, that such Employee is ready to return to work within one hundred twenty (120) days or less after the Closing Date or within such longer time (if any) as may be required by applicable Law. Buyer covenants that Buyer shall offer each Employee on Leave no less than five (5) days in which to accept or reject Buyer's employment offer.

8.4 Transfer Time. On or before the date that is three (3) days prior to the Closing Date, Buyer shall notify Sellers as to each Transferred Employee who has accepted an offer of employment with Buyer or its Affiliate and each Employee who has not accepted an offer of employment with Buyer or its Affiliate. All Transferred Employees shall become employees of Buyer or its Affiliates effective as of 12:11 a.m. (Central Time) on the Closing Date (the "***Transfer Time***") and, except as otherwise provided herein, Buyer covenants that at the Transfer Time, Buyer shall assume and be responsible for payment of all salaries and benefits and all other costs and liabilities relating to services provided by the Transferred Employees on and after such time;

provided, *that* with respect to an Employee on Leave, such obligations shall not attach until the Employee on Leave commences employment with Buyer or its Affiliate (and for any Employee on Leave, such Employee's "Transfer Time" shall be when such Employee commences employment with Buyer or any of its Affiliates).

8.5 Level of Employee Benefits Provided by Buyer, or Buyer's Affiliates. Buyer covenants that Buyer shall provide to all Transferred Employees employee benefits in accordance with Employee Benefit Plans (such as defined benefit plans, defined contribution plans and welfare benefit plans), programs, policies and pay practices (such as vacations, bonuses and short-term disability leaves) which shall be the same as or better than the benefits provided to substantially similar employees of Buyer or its Affiliates. No later than the earlier of (i) ninety (90) days following the Execution Date and (ii) the date on which a prehearing conference date is set with the CPUC for the Transaction, but in any event at least ninety (90) days prior to Closing, Sellers shall provide to Buyer the Transferred Employees' recognized credited service, and participation, vesting and, as applicable, benefit accrual periods of service amounts, with Sellers or their respective Affiliates as of the day immediately prior to the Closing Date.

8.6 Welfare Benefits and Other Benefits and Policies. For each Transferred Employee who participates in any welfare benefit plan, or is subject to any policy or pay practice, of Buyer or its Affiliates, Buyer covenants that Buyer will use (and cause its Affiliates to use, as applicable) commercially reasonable efforts so as to: (a) not require a physical examination or other proof of insurability, and shall waive all coverage exclusions and limitations relating to waiting periods or pre-existing conditions, with respect to any of the Transferred Employees or any dependent covered by Sellers and their respective Affiliates' welfare benefit plans, policies or pay practices in effect as of the Closing Date; and (b) credit the expenses of the Transferred Employees which were credited toward deductibles and co-insurance for the plan year in which the Closing Date occurs under the applicable welfare benefit plan of Sellers or their respective Affiliates against satisfaction of any deductibles and co-insurance for the plan year in which the Closing Date occurs under Buyer's medical welfare benefit plan for the Transferred Employees, subject to either Sellers or such Transferred Employee providing an explanation of benefits and other required documents to receive credit for such expenses.

8.7 Vacation. Sellers shall be responsible for paying the Transferred Employees for any vacation due as of the Closing Date under the applicable vacation policy of a Seller or their Affiliates. From and after the Closing Date, Buyer covenants that Buyer shall provide all Transferred Employees with vacation based upon the recognized credited service amounts of such Transferred Employees with Sellers or their respective Affiliates.

8.8 Service Credit. From and after the Closing Date, Buyer covenants that the Transferred Employees shall be given credit for their service recognized by Sellers or their respective Affiliates prior to the Closing Date for all purposes, including eligibility, vesting and benefit determination and accrual under all applicable plans and programs of Buyer or its Affiliates as well as for purposes of determining any vacation, severance or other related benefits to be provided pursuant to the manner described above, but not with respect to any defined benefit or retiree medical plan or to the extent that such service credit would result in a duplication of benefits.

8.9 Benefits—Miscellaneous. Notwithstanding the foregoing, Buyer shall not be liable for any obligations of Sellers or their respective Affiliates arising out of participation by Transferred Employees in the Employee Benefit Plans of Sellers or their respective Affiliates, including the obligation to provide any continued coverage pursuant to COBRA.

8.10 WARN Act. Buyer represents and warrants that, and covenants to Sellers that, there shall be no major employment losses as a consequence of the change in ownership contemplated by this Agreement that might trigger obligations under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. Section 2101 *et seq*., or under any similar provision of any federal, state, regional, foreign or local law, rule or regulation (collectively, "***WARN Obligations***"). To the extent that any WARN Obligations might arise as a consequence of the change in ownership contemplated by this Agreement, Buyer covenants that Buyer shall be responsible for, and Buyer shall indemnify Sellers and their respective Affiliates against any Losses caused by, arising from, incurred in connection with or relating in any way to, any WARN Obligations arising as a result of any employment losses occurring on or after the Closing Date. Buyer covenants that for ninety (90) days following the Closing Date, there shall not be any mass layoff, plant closing or other action that might trigger WARN Obligations of Sellers or their respective Affiliates.

8.11 Severance. In the event that the employment of any Transferred Employee is terminated involuntarily by Buyer or any of its Affiliates within one (1) year following the Closing Date (other than for violation of generally applicable policies of Buyer or other circumstances reasonably constituting cause under the applicable Buyer severance program or policy), then Buyer shall provide such Transferred Employee with severance pay and benefits available under the severance program of Buyer available to similarly situated employees of Buyer, which severance pay shall, at a minimum, be equal to such involuntarily terminated Transferred Employee's base monthly salary *multiplied by* the number of months remaining from the date of such involuntary termination to the first (1st) anniversary of the Closing Date.

8.12 Withholding. Buyer and Sellers agree to comply with the Standard Procedure described in Section 4 of Revenue Procedure 2004-53, 2004 2 C.B. 320 (the "***Standard Procedure***"). Sellers shall, in accordance with Revenue Procedure 2004-53, assume all responsibility for preparing and filing Form W-2, Wage and Tax Statements; Form W-3, Transmittal of Income and Tax Statements; Form 941, Employer's Quarterly Federal Tax Returns; Form W-4, Employee's Withholding Allowance Certificates; and Form W-5, Earned Income Credit Advance Payment Certificates (collectively, the "***Employee Withholding Documents***") with regard to wages and other compensation paid to Transferred Employees through their respective Transfer Time. Buyer shall assume all responsibility for preparing and filing the Employee Withholding Documents with regard to wages and other compensation paid to Transferred Employees after their respective Transfer Time. Buyer and Sellers shall cooperate in good faith to the extent necessary to permit each of them to comply with the Standard Procedure.

8.13 No Third Party Beneficiaries. No provision of this Article VIII shall create any third-party beneficiary rights in any Person, including any employee or former employee (and any beneficiaries, dependents or representatives thereof) of Sellers or Buyer or any of their respective Affiliates, and no provision of this Article VIII shall create such third-party beneficiary rights in any Person in respect of any benefits that may be provided, directly or indirectly, under any Employee Benefit Plan or arrangement of Buyer or its Affiliates. Nothing in this Article VIII,

express or implied, shall be construed or interpreted to amend or create any Employee Benefit Plan of Buyer, Sellers or any of their respective Affiliates or to confer upon any Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, including any right to continued employment.

ARTICLE IX
CONDITIONS TO CLOSING

9.1 Conditions to Each Party's Obligation to Close. The obligations of Buyer and Sellers to consummate the Transaction shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

(a) No Restraint. No preliminary or permanent Order or other legal restraint preventing the consummation of the Transaction shall be in effect.

(b) Legality of Transactions. No Action shall have been taken and no Law shall have been enacted by any Governmental Entity that makes illegal the performance by any Party of its material obligations under this Agreement or the Ancillary Agreements or the consummation of the Transaction.

(c) HSR Waiting Period. The waiting period under the HSR Act shall have expired or been terminated.

(d) CPUC Approval. The Parties shall have received a final, non-appealable order or decision, with no conditions or mitigation requirements that would have a Material Adverse Effect, from the CPUC that (i) grants Sellers any necessary authority under the California Public Utilities Code to sell the Acquired Interests to Buyer and grants Buyer any necessary authority under the California Public Utilities Code to purchase the Acquired Interests and (ii) does not prohibit Buyer from, as of the Closing, seeking a name change on the existing tariffs and rates for the assets or properties of the Acquired Group currently on file with the CPUC.

(e) Special Permit. The Special Permit shall have been obtained by Sellers.

9.2 Conditions to Buyer's Obligation to Close. The obligation of Buyer to consummate the Transaction shall be subject to the satisfaction (or waiver by Buyer), at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Sellers set forth in this Agreement shall be true and correct as of the Execution Date and as of the Closing Date as though made on and as of the Closing Date (except to the extent that such representations or warranties speak as of an earlier date, in which case such representations and warranties shall have been true and correct as of such specified date); except, with respect to any representations and warranties other than Sellers' Fundamental Representations, to the extent that the failure of such representations and warranties to be true and correct would not, in the aggregate, reasonably be expected to result in a Material Adverse Effect (it being understood that for purposes of this clause, the Parties shall disregard any materiality qualifiers included in such representations and warranties), and Buyer shall have received a certificate to such effect signed on behalf of each Seller by an officer of such Seller.

(b) Performance of Obligations. Sellers shall have performed in all material respects all obligations required to be performed by Sellers under this Agreement prior to the Closing Date, and Buyer shall have received a certificate to such effect signed on behalf of each Seller by an officer of such Seller.

(c) Seller Deliverables. Sellers shall have executed and delivered, or caused to be executed and delivered, to Buyer, each of the Seller Deliverables.

(d) Ancillary Agreements. Sellers shall have executed and delivered, or caused to be executed and delivered, to Buyer, the Ancillary Agreements.

(e) Material Adverse Effect. Between the Execution Date and the Closing Date, no occurrence, condition, change, event, fact, circumstance, development or effect has resulted or would reasonably be expected to result in the occurrence of a Material Adverse Effect.

(f) Seller Consents. Sellers shall have obtained and delivered to Buyer each of the Consents set forth on Schedule 9.2(f).

(g) Carve-Out Financial Statements. Sellers shall have delivered the Carve-Out Financial Statements.

(h) Title Insurance. Subject to the satisfaction of the other closing conditions, Title Company shall have committed to issue the Title Insurance with respect to the Major Facilities.

REDACTED

9.3 Conditions to Sellers' Obligation to Close. The obligation of Sellers to consummate the Transaction shall be subject to the satisfaction (or waiver by Sellers), at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Buyer set forth in this Agreement shall be true and correct as of the Execution Date and as of the Closing Date as though made on and as of the Closing Date (except to the extent that such representations or warranties speak as of an earlier date, in which case such representations and warranties shall have been true and correct as of such specified date); except to the extent that the failure of such representations and warranties to be true and correct would not, in the aggregate, reasonably be expected to result in a Material Adverse Effect (it being understood that for purposes of this clause, the Parties shall disregard any materiality qualifiers included in such representations and warranties), and Sellers shall have received a certificate to such effect signed on behalf of Buyer by an officer of Buyer.

(b) Performance of Obligations. Buyer shall have performed in all material respects the obligations required to be performed by it under this Agreement prior to the Closing Date, and Sellers shall have received a certificate to such effect signed on behalf of Buyer by an officer of the general partner of Buyer.

(c) Buyer Deliverables. Buyer shall have executed and delivered, or caused to be executed and delivered, to Sellers, each of the Buyer Deliverables.

(d) Ancillary Agreements. Buyer shall have executed and delivered, or caused to be executed and delivered, to Sellers, the Ancillary Agreements.

(e) Material Adverse Effect. Between the Execution Date and the Closing Date, no occurrence, condition, change, event, fact, circumstance, development or effect has resulted or would reasonably be expected to result in the occurrence of a Material Adverse Effect.

(f) Buyer Consents. Buyer shall have obtained and delivered to Sellers each of the Buyer Consents.

ARTICLE X
TERMINATION

10.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of the Parties;

(b) (i) by either Buyer or Sellers, upon written notice to the other Party or Parties, if a Governmental Entity shall have issued an Order or taken any Action permanently restraining, enjoining or otherwise prohibiting the Transaction (other than pursuant to the HSR Act or other Antitrust Laws or the California Public Utilities Code), and such Order or Action shall

have become final and non-appealable, or (ii) by either Buyer or Sellers, upon written notice to the other Party or Parties, if a Governmental Entity shall have issued an Order or taken any Action permanently restraining, enjoining or otherwise prohibiting the Transaction pursuant to (A) the HSR Act or other Antitrust Laws or (B) the California Public Utilities Code, and such Order or Action shall have become final and non-appealable; *provided*, *however*, that the right to terminate this Agreement under this Section 10.1(b) shall not be available to a Party if the issuance of, enacting of, entering into, promulgation of or enforcement of such Order or Action was primarily due to the failure of such Party to perform or comply with, in all material respects, any of the covenants or agreements to be performed or complied with by such Party under this Agreement prior to the Closing;

(c) by either Buyer or Sellers, upon notice to the other Party or Parties, in the event of a breach by the other Party or Parties of any representation, warranty, covenant or other agreement contained in this Agreement, which (i) would give rise to the failure of a condition set forth in Sections 9.2(a)-(b) or Sections 9.3(a)-(b), respectively, and (ii) if curable, cannot be or has not been cured within sixty (60) days following receipt by the breaching Party of notice of such breach, which notice shall advise the breaching Party of the nature of the breach; *provided, however*, that the Party seeking termination is not at the time of such notice in material breach of its representations, warranties, covenants or agreements contained in this Agreement;

(d) by either Buyer or Sellers, upon notice to the other Party or Parties, if the Transaction shall not have been consummated on or before November 10, 2020 (the "***Initial Outside Date***"); *provided*, *that* if (i) the conditions set forth in Section 9.1(c), Section 9.1(d) or Section 9.1(e) have not been satisfied as of the Initial Outside Date and such Party reasonably believes they are capable of being satisfied within sixty (60) days after the Initial Outside Date; (ii) the primary cause of the failure of such conditions to be satisfied by the Initial Outside Date is not a breach by such terminating Party or Parties of any representation or covenant by such Party or Parties under this Agreement; and (iii) all conditions to Closing set forth in Article IX other than such conditions are satisfied or capable of being satisfied at the Initial Outside Date, then such Party may elect to extend the Initial Outside Date by a period of sixty (60) days by providing notice to the other Parties on or before the fifth (5th) Business Day prior to the Initial Outside Date (the "***Final Outside Date***"), but in no event shall the Final Outside Date be extended beyond January 11, 2021;

(e) by Buyer, upon written notice to Sellers, if, following the Execution Date, there shall have occurred a Material Adverse Effect;

(f) by Buyer or Sellers, as applicable, upon notice to the other Party or Parties, pursuant to Section 7.12;

(g) by Buyer or Sellers, as applicable, upon notice to the other Party or Parties, if the Special Permit Repair Amount Estimate exceeds $20,000,000; or

(h) by Sellers if the Deposit has not been paid to Sellers by Buyer on or before 5:00 p.m. (Central Time) on the first Business Day immediately following the Execution Date.

10.2 Effect of Termination.

(a) Upon any termination of this Agreement, the Parties shall be relieved of their respective duties and obligations arising under this Agreement after the date of such termination and, except as provided in this Section 10.2(a), such termination shall be without liability to any Party; *provided, that* notwithstanding anything herein to the contrary, the provisions of this Section 10.2, Section 6.1(b), Section 7.4 (with respect to Buyer's reimbursement of Sellers' expenses and Buyer's indemnification obligations), Section 7.7, Section 7.13 (with respect to Buyer's reimbursement of Sellers' expenses), Article XI and Article XII, shall survive any such termination and shall be enforceable hereunder and any defaulting Party shall remain liable under this Agreement for any willful and material breach of this Agreement prior to termination; *provided, further* that in no event shall a termination of this Agreement result in (i) Buyer or any of its Affiliates or any Non-Recourse Party being liable to Sellers or (ii) Sellers or any of their Affiliates being liable to Buyer or any of its Affiliates, in each case, for an aggregate amount that exceeds the amount of the Deposit, *plus*, in the case of the foregoing clause (i) any unpaid amounts required to be paid or reimbursed by Buyer to Sellers pursuant to this Agreement.

(b) If this Agreement is terminated by any Party pursuant to Section 10.1(b)(ii)(B), then Sellers shall return to Buyer an amount equal to (i) the Deposit, *minus* (ii) all reasonable and documented out-of-pocket fees, expenses and costs REDACTED REDACTED incurred by Sellers and their respective Affiliates in connection with any and all actions taken by Sellers and their respective Affiliates in complying with Section 7.5(c) , which amount Sellers shall be entitled to retain.

(c) If this Agreement is terminated by Buyer or Sellers pursuant to Section 10.1(b)(ii)(A) or by Sellers pursuant to Section 10.1(c), then (and only then) Sellers shall be entitled to retain the Deposit and receive any outstanding amounts required to be paid or reimbursed to Sellers pursuant to the Agreement, which together shall constitute liquidated damages. If this Agreement is terminated for any reason other than as set forth in the foregoing sentence, then within five (5) Business Days of such termination, Sellers shall return the Deposit to Buyer.

(d) **THE PARTIES HAVE AGREED THAT SELLERS' ACTUAL DAMAGES, IN THE EVENT OF A TERMINATION OF THIS AGREEMENT FOR THE REASONS SET FORTH IN THE FIRST SENTENCE OF SECTION 10.2(c), WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE EXECUTION DATE, THE AMOUNT OF THE DEPOSIT TOGETHER WITH THE RIGHT TO RECEIVE ANY AMOUNTS REQUIRED TO BE PAID OR REIMBURSED TO SELLERS PURSUANT TO THE AGREEMENT IS A REASONABLE ESTIMATE OF THE DAMAGES THAT SELLERS WOULD INCUR IN SUCH EVENT. SUCH RETENTION OF THE DEPOSIT BY SELLERS IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLERS AND SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY. EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE**

CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION. THE FOREGOING IS NOT INTENDED TO, AND SHALL NOT BE DEEMED OR CONSTRUED TO, LIMIT EITHER PARTY'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THIS AGREEMENT, WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE XI
INDEMNIFICATION

11.1 Obligations to Indemnify.

(a) Sellers' Obligations. Subject to the terms of this Article XI, from and after the Closing, Sellers shall jointly and severally indemnify, defend and hold harmless the Buyer Indemnified Parties from and against any and all Losses arising or resulting from any one or more of the following:

(i) the Seller Assumed Liabilities;

(ii) the breach by Sellers of any agreement, obligation or covenant in this Agreement to be performed by Sellers;

(iii) the transfers of the Excluded Assets and assumptions of the Excluded Liabilities contemplated by the Reorganization Agreement (excluding, for the avoidance of doubt, any Reorganization Transfer Taxes allocable to Buyer pursuant to Section 2.4); and

(iv) any breach of any representation or warranty made by Sellers in this Agreement or any certificate delivered hereunder.

(b) Buyer's Obligation. Subject to the terms of this Article XI, from and after the Closing, Buyer shall indemnify, defend and hold harmless the Seller Indemnified Parties from and against any and all Losses arising or resulting from or in connection with any of the following:

(i) the breach by Buyer of any agreement, obligation or covenant of Buyer in this Agreement to be performed by Buyer;

(ii) any breach of any representation or warranty made by Buyer contained in this Agreement or any certificate delivered hereunder;

(iii) Buyer's or Buyer's Representatives' access to or inspection of any assets or properties of the Acquired Group or travel to or from or presence thereon, or any other facilities of Sellers or their respective Affiliates, pursuant to Section 6.1(b); and

(iv) Buyer's indemnity obligations set forth in Section 6.5 (with respect to the release of performance bonds and other credit support arrangements).

11.2 Third Party Claims.

(a) If any Indemnified Party receives notice of the commencement of any Action or proceeding or the assertion of any Claim by a Third Party or the imposition of any penalty or assessment for which indemnity may be sought under this Article XI (a "***Third Party Claim***"), and such Indemnified Party intends to seek indemnity pursuant to this Article XI, such Indemnified Party shall promptly provide the other Party or Parties (an "***Indemnifying Party***") with notice of such Third Party Claim, which notice shall describe such Third Party Claim in reasonable detail, including all relevant factual background and the basis on which the Indemnified Party is entitled to indemnification hereunder. Unless such Third Party Claim is asserted by a customer of the Business, the Indemnifying Party shall be entitled, at its option and at its own expense, to assume the defense of such Third Party Claim. Such defense shall be conducted through counsel selected by the Indemnifying Party and approved by the Indemnified Party, which approval shall not be unreasonably withheld, delayed or conditioned, and the Indemnified Party shall fully cooperate with the Indemnifying Party or Parties in connection therewith, at no cost or expense to the Indemnified Party.

(b) Notwithstanding the provisions of Section 11.2(a), each Indemnified Party shall be entitled, at its own expense, to participate in the defense of any such Third Party Claim; *provided*, *however*, that the Indemnifying Party shall pay the reasonable attorneys' fees of the Indemnified Party if (i) the employment of separate counsel shall have been authorized in writing by any such Indemnifying Party in connection with the defense of such Third Party Claim, or (ii) the Indemnified Party's counsel, which counsel shall be reasonably competent to render advice as to such matters, shall have advised the Indemnified Party in writing, with a copy delivered to the Indemnifying Party, that there is a conflict of interest that could make it inappropriate under applicable standards of professional conduct for the Indemnifying Party and the Indemnified Parties to have common counsel.

(c) The Indemnifying Party shall obtain the prior written approval of each Indemnified Party (which approval shall not be unreasonably withheld, delayed or conditioned) before entering into or making any settlement, compromise, admission, or acknowledgment of the validity of any Third Party Claim or any liability in respect thereof if, pursuant to or as a result of such settlement, compromise, admission, or acknowledgment, any injunctive or other equitable relief would be imposed against the Indemnified Party or if, in the reasonable opinion of each Indemnified Party, such settlement, compromise, admission, or acknowledgment could have a Material Adverse Effect on its business, operations, assets or financial condition.

(d) The Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the release by each claimant or plaintiff to each Indemnified Party from all liability in respect of such Third Party Claim.

11.3 Direct Claims.

(a) Notice of Indemnified Claims. In any case in which an Indemnified Party seeks indemnification hereunder which is not subject to Section 11.2 because no Third Party Claim is involved, the Indemnified Party shall promptly notify the Indemnifying Party in writing of any

Losses which such Indemnified Party claims are subject to indemnification under the terms hereof (the "***Indemnified Claims***"). Subject to the limitations otherwise set forth in this Article XI, the failure of the Indemnified Party to exercise promptness in such notification shall not amount to a waiver of such claim unless the resulting delay materially prejudices the position of the Indemnifying Party with respect to such claim.

(b) Contested Claims. Each Indemnified Claim shall (i) reference the indemnity claim to which it relates and shall state the date upon which such indemnity claim was first asserted; (ii) describe the nature of the Losses incurred by the Indemnified Party; (iii) describe the reason why the Losses are recoverable from the Indemnified Party; (iv) state the amount of the Losses; and (v) provide copies of all available documentation supporting the amount of the Losses. The Indemnifying Party shall have thirty (30) days following receipt of an Indemnified Claim to review such claim (the "***Review Period***"). The Indemnified Party shall make a representative reasonably available during the Review Period to respond to any questions by the Indemnifying Party concerning the Indemnified Claim. If the Indemnifying Party objects to all or any portion of the Indemnified Claim (an "***Objection***"), the Indemnifying Party shall deliver its Objection in writing to the Indemnified Party within the Review Period. Each such Objection shall state (A) if applicable, why the Indemnified Claim is not recoverable from the Indemnifying Party; (B) the amount of Losses objected to by the Indemnifying Party; and (C) if applicable, the amount of the Losses not objected to by the Indemnifying Party (the "***Uncontested Amount***").

(c) Uncontested Claims. If the Indemnifying Party fails to tender an Objection within the Review Period, the Indemnifying Party shall promptly (but in any event within five (5) days after expiration of the Review Period) tender payment to the Indemnified Party in the amount of the Indemnified Claim in accordance with Section 11.7. Upon the Indemnified Party's receipt of any Objection, the Uncontested Amount, if any, shall promptly (but in any event within five (5) days after such receipt) be tendered by the Indemnifying Party in accordance with Section 11.7.

11.4 Limits of Liability.

(a) Deductible; Cap. No Buyer Indemnified Party shall be entitled to be indemnified for Losses pursuant to Section 11.1(a)(iv) unless and until, and then only to the extent that, the respective aggregate amount of all such Losses by such Buyer Indemnified Party exceeds Five Million Dollars ($5,000,000) (the "***Deductible***"), other than with respect to Losses related to any breach of Sellers' Fundamental Representations or the Tax Representations. The Buyer Indemnified Parties shall be entitled to be paid the entire amount of any Losses pursuant to Section 11.1(a)(iv) in excess of the Deductible, if applicable; *provided*, *however*, that the aggregate liability of Sellers for Losses pursuant to Section 11.1(a)(iv) shall not exceed fifteen percent (15%) of the Purchase Price (the "***Cap***"), except with respect to Losses related to any breach of Sellers' Fundamental Representations or the Tax Representations. In no event shall Sellers' aggregate liability for Losses under this Article XI exceed one hundred percent (100%) of the Purchase Price. For purposes of clarification, any Losses for which the Buyer Indemnified Parties seek indemnification pursuant to Section 11.1(a)(ii) with respect to the REDACTED (including, for the avoidance of doubt, the REDACTED the REDACTED, and any condemnation by Sellers of the REDACTED) shall not be subject to the Deductible, the Cap or the minimum claim amount set forth in Section 11.4(b).

(b) Minimum Claim. Except with respect to any Losses related to any breach of Sellers' Fundamental Representations or the Tax Representations, if any single claim or group of related claims for indemnification by a Buyer Indemnified Party that is subject to indemnity under Section 11.1(a)(iv) results in respective aggregate Losses to such Buyer Indemnified Party that do not exceed Five Hundred Thousand Dollars ($500,000), such Losses shall not be deemed to be Losses under this Agreement and shall not be eligible for indemnification under this Article XI.

(c) No Special Damages. IN NO EVENT SHALL ANY INDEMNIFYING PARTY BE LIABLE TO ANY INDEMNIFIED PARTY WITH RESPECT TO ANY MATTER ARISING UNDER OR IN RELATION TO THIS AGREEMENT FOR ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY INCIDENTAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES, WHICH MAY INCLUDE LOSS OF FUTURE REVENUE, INCOME OR PROFITS, DIMINUTION OF VALUE OR LOSS OF BUSINESS REPUTATION OR OPPORTUNITY OR A MULTIPLE OF REVENUE, INCOME, PROFITS OR ANY OTHER AMOUNT, EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED WITHIN A JUDGMENT RENDERED AGAINST AN INDEMNIFIED PARTY WITH RESPECT TO A THIRD PARTY CLAIM FOR WHICH INDEMNIFICATION IS AVAILABLE UNDER THE TERMS OF THIS ARTICLE XI.

(d) Mitigation. Notwithstanding anything to the contrary herein, the Parties shall have a duty to use commercially reasonable efforts to mitigate any Losses arising out of or relating to this Agreement or the Transaction.

(e) Insurance. In determining the amount of any Losses for which a Party is entitled to indemnification pursuant to this Article XI, the amount of such Losses shall be reduced by all insurance proceeds or other Third Party recoveries.

(f) Materiality. For purposes of this Article XI, solely for purposes of determining the amount of Losses resulting from any breach of any representation or warranty (and, for the avoidance of doubt, not for purposes of determining whether a breach of any such representation or warranty has occurred), all qualifications or exceptions in any representation or warranty relating to or referring to the terms "material," "materiality," "in all material respects," "material adverse effect" or any similar term or phrase shall be disregarded.

(g) Buyer Investigation. The rights of the Buyer Indemnified Parties to indemnification pursuant to this Article XI shall not be impacted or limited by any knowledge that Buyer may have acquired, or could have acquired, whether before or after the Closing Date, nor by any investigation or diligence by Buyer. Sellers hereby acknowledge that, regardless of any investigation made (or not made) by or on behalf of Buyer, and regardless of the results of any such investigation, Buyer has entered into this transaction in express reliance upon the representations and warranties made by Sellers in Article III.

(h) Ancillary Agreement Releases. Notwithstanding any release or waiver set forth in the Assignment of Acquired Interests, the Assignment and Assumption of Seller Assumed Liabilities or the Reorganization Agreement, such releases or waivers shall not release, waive or

limit any Claims that Buyer or Sellers may make pursuant to this Article XI, including with respect to the Seller Assumed Liabilities.

11.5 Survival of Covenants, Representations and Warranties.

(a) Survival; Claims Period.

(i) All covenants contained in this Agreement to be performed prior to the Closing and the indemnity provided under Sections 11.1(a)(ii) and 11.1(b)(i) shall survive the Closing and shall continue thereafter until ninety (90) days after the Closing Date. All covenants contained in this Agreement to be performed, in whole or in part, following the Closing, including in Section 2.4(b) (regarding Transfer Tax refunds), Section 7.7 (regarding confidentiality), Section 7.10 (regarding Tax matters), Section 7.14 (regarding the Integrity Management Plan), Section 7.16 (regarding the Relocation Projects), and the indemnities provided with respect to Sections 11.1(a)(ii) and 11.1(b)(i) shall survive the Closing in accordance with their respective terms and shall continue thereafter until fully performed. The representations and warranties contained in this Agreement, and the indemnities provided with respect to Sections 11.1(a)(iv) or 11.1(b)(ii) shall survive the Closing and shall continue thereafter and shall terminate on the date that is the first anniversary of the Closing Date (the "***Expiration Date***"); *provided*, *however,* that (A) Sellers' Fundamental Representations, Buyer's Fundamental Representations and the waivers and disclaimers set forth in Section 4.10 shall survive indefinitely, and (B) the Tax Representations and Sellers' indemnity obligations hereunder with respect to Seller Taxes shall survive the expiration of the applicable statute of limitations (including any extensions thereof) for a period of sixty (60) days. Any Claim by a Party in respect of such representations and warranties must be made in writing prior to the Expiration Date and must set forth in reasonable detail the facts alleged to give rise to such Claim.

(ii) No action for a breach of any representation, warranty, covenant or agreement contained herein shall be brought after the Expiration Date, except for claims of which a Party has received notice setting forth in reasonable detail the claimed misrepresentation or breach of representation, warranty, covenant or agreement with reasonable detail, prior to the Expiration Date.

11.6 Exclusive Remedy. Except (a) for any post-Closing reconciliations as provided for in this Agreement, and (b) in the case of Fraud or willful and material breach of this Agreement, after the Closing, the provisions of this Article XI shall be the exclusive basis for assertion of Claims against, or the imposition of liability on, any Party by another Party with respect to any breach of, or other failure to meet any obligation under, this Agreement. Additionally, the payment of the Special Permit Repair Adjustment Amount and the Final Special Permit Repair Adjustment Amount shall be the sole and exclusive remedy of Buyer for, and source of compensation of Buyer with respect to, costs and expenses associated with the Special Permit Required Repairs that remain outstanding as of the Closing Date.

11.7 Payments. All payments to be made by an Indemnifying Party to any Indemnified Party pursuant to this Article XI shall be made by wire transfer of immediately available funds to an account designated by the Indemnified Party. Any payments pursuant to this Article XI shall

be treated as an adjustment to the Purchase Price for U.S. federal and applicable state income Tax purposes to the extent permitted by applicable Law.

11.8 Administration of Indemnity Claims. Notwithstanding anything else in this Article XI, any claim for indemnification pursuant to this Article XI, whether for a Third Party Claim pursuant to Section 11.2 or a direct claim pursuant to Section 11.3, (a) on behalf of a Buyer Indemnified Party must be made and administered by Buyer or its successors or assigns as permitted herein, and (b) on behalf of a Seller Indemnified Party must be made and administered by Sellers or their respective successors and assigns as permitted herein.

ARTICLE XII
MISCELLANEOUS

12.1 Notices.

(a) Any notice or other communication given under this Agreement shall be in writing and shall be (i) delivered personally, (ii) sent by documented overnight delivery service, (iii) sent by facsimile or other customary means of electronic transmission (*e.g.*, "pdf"), or (iv) sent by first class mail, postage prepaid (certified or registered mail, return receipt requested). Such notice shall be deemed to have been duly given (A) on the date of the delivery, if delivered personally, (B) on the Business Day after dispatch by documented overnight delivery service, if sent in such manner, (C) on the date of electronic transmission, if so transmitted on a Business Day during normal business hours, or if otherwise, on the next Business Day, or (D) on the fifth (5th) Business Day after sent by first class mail, postage prepaid, if sent in such manner.

(b) Notices or other communications shall be directed to the following addresses:

Notices to Sellers:

Plains All American L.P.
333 Clay Street, Suite 1600
Houston, Texas 77002
Attention: Jeremy L. Goebel, Executive Vice President
Facsimile No.: (713) 646-4378

with copies to:

Plains Marketing, L.P.
333 Clay Street, Suite 1600
Houston, Texas 77002
Attention: Richard K. McGee, Executive Vice President,
General Counsel and Secretary
Facsimile No.: (713) 646-4313

Notices to the Buyer:

c/o Zenith Energy U.S., LP
3900 Essex Lane, Suite 700
Houston, TX 77027
Attention: Carlos Ruiz, Chief Financial Officer

with copies to:

c/o Zenith Energy U.S., LP
3900 Essex Lane, Suite 700
Houston, TX 77027
Attention: Dana Love, General Counsel

(c) The Parties may at any time change their address for service from time to time by giving notice to the other Parties in accordance with this Section 12.1.

12.2 Entire Agreement; Amendment; Waiver; Exhibits and Schedules. This Agreement (including the recitals), Annexes, Exhibits and Schedules attached hereto and the Ancillary Agreements constitute the entire understanding among the Parties with respect to the subject matter hereof, and supersede all other understandings and negotiations with respect thereto (except for the Confidentiality Agreement). This Agreement may be amended only in a writing signed by all Parties. Any provision of this Agreement may be waived only in a writing signed by the Party to be charged with such waiver. No course of dealing among the Parties shall be effective to amend or waive any provision of this Agreement. All Annexes, Exhibits and Schedules attached hereto are hereby incorporated into this Agreement as a part hereof.

12.3 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced under applicable Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transaction are not affected in any manner adverse to any Party. Upon such determination that any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the Transaction is consummated as originally contemplated to the fullest extent possible.

12.4 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other Person (other than the Indemnified Parties) any rights or remedies of any nature whatsoever under or by reason of this Agreement.

12.5 Governing Law; Jurisdiction and Venue; Waiver of Jury Trial.

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND

ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

(b) EACH OF THE PARTIES IRREVOCABLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THE ACQUIRED INTERESTS, THE ACQUIRED GROUP, THIS AGREEMENT OR ANY ANCILLARY AGREEMENTS OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT HEREOF SHALL BE BROUGHT AND DETERMINED IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF TEXAS, COUNTY OF HARRIS. EACH OF THE PARTIES HEREBY (i) IRREVOCABLY SUBMITS WITH REGARD TO ANY SUCH ACTION OR PROCEEDING TO THE EXCLUSIVE PERSONAL JURISDICTION OF THE AFORESAID COURTS IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENTS OR THE TRANSACTION AND WAIVES THE DEFENSE OF SOVEREIGN IMMUNITY, (ii) AGREES THAT IT SHALL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT OR THAT SUCH ACTION IS BROUGHT IN AN INCONVENIENT FORUM AND (iii) AGREES THAT IT SHALL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT, ANY ANCILLARY AGREEMENTS, THE TRANSACTION OR THE ACQUIRED INTERESTS IN ANY COURT OTHER THAN THE ABOVE COURTS.

(c) EACH OF THE PARTIES WAIVES TRIAL BY JURY IN ANY ACTION TO WHICH THEY ARE PARTIES INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED WITH THIS AGREEMENT, ANY ANCILLARY AGREEMENTS, THE TRANSACTION OR THE ACQUIRED INTERESTS.

12.6 **Assignment**. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. Sellers may not assign this Agreement or any rights or obligations hereunder without the prior written consent of Buyer. Buyer may not assign this Agreement or any rights or obligations hereunder to any Person other than a Buyer Affiliate without the prior written consent of Sellers.

12.7 **Specific Performance**. The Parties acknowledge and agree that in the event that any of the provisions of this Agreement are breached or are not performed in accordance with their terms, irreparable damage may occur and that the Parties may not have an adequate remedy at law. It is accordingly agreed that the Parties shall be entitled to injunctive or other equitable relief, without the posting of any bond and without proof of actual damages, to prevent breaches of this Agreement and to specifically enforce the terms of this Agreement and that the Parties shall not object to the granting of injunctive or other equitable relief on the basis that there exists an adequate remedy at law.

12.8 **Counterparts**. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. Delivery of an executed

signature page of this Agreement by facsimile or other customary means of electronic transmission (*e.g.*, ".pdf") shall be effective as delivery of a manually executed counterpart hereof.

12.9 Expenses. Except as otherwise provided herein or in any Ancillary Agreement, each Party shall bear its own expenses incurred in connection with this Agreement and the Transaction whether or not such transactions shall be consummated, including all fees of its legal counsel, financial advisers and accountants.

12.10 No Affiliate Liability. Each of the following is herein referred to as a "***Non-Recourse Party***": (a) any direct or indirect holder of equity interests or securities in the Buyer (whether limited or general partners, members, stockholders or otherwise), or any investment fund organized by or managed by any of the foregoing holders, (b) any director, officer, employee, representative or agent of (i) Buyer or (ii) any Person who controls Buyer, or (c) any portfolio company of any Person described in clauses (a) or (b) (other than Buyer). Other than as set forth in the Buyer Guaranty, no Non-Recourse Party shall have any liability or obligation to Sellers or their respective Affiliates of any nature whatsoever in connection with, based on, in respect of or by reason of, arising out of or under this Agreement or the Transaction (including the breach, termination or failure to consummate the Transaction), and Sellers hereby waive and release all claims of any such liability and obligation. Except with respect to the Buyer Guaranty, this Agreement may only be enforced against, and any dispute, controversy, matter or claim in connection with, based on, in respect of, by reason of, under or arising out of this Agreement, or the negotiation, performance, or consummation of this Agreement, may only be brought against, the entities that are expressly named as Parties, and then only with respect to the specific obligations set forth herein with respect to such Party. Each Non-Recourse Party is expressly intended as a third-party beneficiary of this Section 12.10.

12.11 Natural Hazard Disclosures. Prior to the execution of this Agreement, Sellers have provided Buyer with a natural hazard disclosure statement ("***Natural Hazard Disclosure Statement***") as set forth in California Civil Code Section 1103.2. Buyer acknowledges that Sellers will retain the services of a natural hazards expert (the "***Natural Hazard Expert***") to examine the maps and other information made available to the public by government agencies for the purpose of enabling Sellers to fulfill their respective disclosure obligations and to prepare a written report of the result of Sellers' examination (the "***Natural Hazard Report***"). Buyer acknowledges that the Natural Hazard Report fully and completely discharges Sellers from their respective disclosure obligations, and, for the purpose of this Agreement, the provisions of Civil Code Section 1103.4 regarding the non-liability of Sellers for errors or omissions not within Sellers' personal knowledge shall be deemed to apply and the Natural Hazard Expert shall be deemed to be an expert dealing within the scope of its expertise with respect to the examination and Natural Hazard Report. In no event shall Sellers have any responsibility for matters not actually known to Sellers. Buyer further acknowledges and agrees that the matters set forth in the Natural Hazard Disclosure Statement may change on or prior to the Closing and that Sellers have no obligation to update, modify or supplement the Natural Hazard Disclosure Statement.

12.12 Joint and Several Obligations. To the fullest extent permitted by applicable Law, all agreements, covenants, representations, warranties and obligations of the Sellers under this Agreement shall be joint and several.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date.

BUYER:

ZENITH ENERGY TERMINALS HOLDINGS LLC

By: _____
Name: Scott D. Schlosberg
Title: CEO

SELLERS:

PLAINS ALL AMERICAN PIPELINE, L.P.

By: PAA GP LLC, its general partner

By: Plains AAP, L.P., its sole member

By: Plains All American GP LLC, its general partner

By: _____ GTL MCC
Name: Harry N. Pefanis
Title: President & Chief Commercial Officer

PLAINS MARKETING, L.P.

By: Plains GP LLC, its general partner

By: _____ GTL MCC
Name: Harry N. Pefanis
Title: President & Chief Commercial Officer

ANNEX A
INTERPRETATION; DEFINED TERMS

1. **Interpretation**. It is expressly agreed that this Agreement shall not be construed against any Party, and no consideration shall be given or presumption made, on the basis of who drafted this Agreement or any particular provision hereof or who supplied the form of Agreement. Each Party agrees that this Agreement has been purposefully drawn and correctly reflects its understanding of the Transaction. In construing this Agreement:

(a) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;

(b) the word "includes" and its derivatives means "includes, but is not limited to" and corresponding derivative expressions;

(c) a defined term has its defined meaning throughout this Agreement and each Exhibit, Annex and Schedule to this Agreement, regardless of whether it appears before or after the place where it is defined;

(d) each Exhibit, Annex, recital and Schedule to this Agreement is a part of this Agreement, but if there is any conflict or inconsistency between the main body of this Agreement and any Exhibit, Annex or Schedule, the provisions of the main body of this Agreement shall prevail;

(e) the headings and titles herein are for convenience only and shall have no significance in the interpretation hereof;

(f) the inclusion of a matter on a Schedule in relation to a representation or warranty shall not be deemed an indication that such matter necessarily would, or may, breach such representation or warranty absent its inclusion on such Schedule;

(g) any reference to a statute, regulation or law shall include any amendment thereof or any successor thereto and any rules and regulations promulgated thereunder;

(h) currency amounts referenced herein, unless otherwise specified, are in U.S. Dollars;

(i) unless the context otherwise requires, all references to time shall mean time in Los Angeles, California;

(j) whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified;

(k) if a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb);

(l) references to "*assets*," "*properties*" or "*liabilities*" of any member of the Acquired Group in Article III shall be deemed to exclude the Excluded Assets and the Excluded Liabilities;

(m) except as expressly provided otherwise, the representations and warranties in Article III shall be deemed to be made after giving effect to the transactions contemplated by the Reorganization Agreement; and

(n) references to items "*made available*," "*provided*" or "*delivered*" means any document, .pdf, picture or other digital file that has been uploaded to the Project Orange data room hosted by SmartRoom as of one (1) Business Day prior to the Execution Date.

2. **References, Gender, Number**. All references in this Agreement to an "*Annex*" "*Article*," "*Section*" or "*Exhibit*" shall be to an Annex, Article, Section or Exhibit of this Agreement, unless the context requires otherwise. All references in this Agreement to a "*Schedule*" shall be to the Disclosure Schedule, unless the context requires otherwise. Unless the context clearly requires otherwise, the words "*this Agreement*," "*hereof*," "*hereunder*," "*herein*," "*hereby*," or words of similar import shall refer to this Agreement as a whole and not to a particular Annex, Article, Section, subsection, clause or other subdivision hereof. Whenever the context requires, the words used herein shall include the masculine, feminine and neuter gender, and the singular and the plural.

3. **Defined Terms**. Unless the context expressly requires otherwise, the respective terms defined in this Section 3 shall, when used in this Agreement, have the respective meanings herein specified, with each such definition to be equally applicable both to the singular and the plural forms of the term so defined.

"***Accounting Rules***" means GAAP, subject to the same exceptions and using the same accounting methods, policies, practices and procedures (including consistent classification, judgments and estimation methodologies) as were used in preparing the Plains All American audited financial statements.

"***Acquired Entity***" and "***Acquired Entities***" shall have the meanings set forth in the recitals.

"***Acquired Group***" means, collectively, the Acquired Entities and the Acquired Subsidiary. For the avoidance of doubt, the use of the term, "Acquired Group" shall refer to all members or any individual member of the Acquired Group, as the context requires.

"***Acquired Group Intellectual Property***" has the meaning set forth in Section 3.15(a).

"***Acquired Interests***" shall have the meaning set forth in the recitals.

"***Acquired Subsidiary***" shall mean Pacific L.A. Marine Terminals LLC, a Delaware limited liability company.

"***Acquisition Transfer Taxes***" shall have the meaning set forth in Section 2.4(a).

"***Action***" shall mean any Claim, action, suit, investigation, inquiry, proceeding, condemnation, audit or other legal or administrative proceeding by or before any court or other Governmental Entity.

"***Affiliate***" shall mean, with respect to any Person, any other entity that directly or indirectly (through one or more intermediaries or otherwise) controls, is controlled by, or is under common control with such Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have correlative meanings.

"***Agreement***" shall have the meaning set forth in the preamble.

"***Alamitos Terminal***" means that certain VGO terminal system owned by Plains West Coast with a total shell capacity of approximately 2,600,000 barrels located near Los Alamitos, California.

"***Allocation***" shall have the meaning set forth in Section 7.10(d).

"***Ancillary Agreements***" shall mean the Buyer Guaranty, the Transition Services Agreement, the Reorganization Agreement and the other documents to be delivered in connection with the Transaction.

"***Ancillary Real Property Rights***" means all of the Acquired Group's right, title and interest in and to all amenities, rights, privileges, rights-of-way, appurtenances, easements and other real property rights to the extent related to any real property interest held by the Acquired Group and described on Schedules 3.11(a), 3.11(b) and 3.11(c), but excluding the Rights of Way.

"***Antitrust Law***" means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, any state antitrust or unfair competition Law and all other national, federal, state, foreign or multinational Laws, statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other Law, including any antitrust, competition or trade regulation Laws, that are designed or intended to prohibit restrict or regulate actions having the purpose or effect of monopolization, attempted monopolization, restraint of trade, lessening of competition, or abusing or maintaining a dominant position.

"***Assignment and Assumption of Seller Assumed Liabilities***" shall have the meaning set forth in Section 2.2(h).

"***Assignment of Acquired Interests***" shall have the meaning set forth in Section 2.2(a).

"***Base Purchase Price***" shall have the meaning set forth in Section 1.2.

"***Books and Records***" means originals or copies in Sellers' (or any of Sellers' Affiliates') possession of all books, records, documents, instruments, accounts, correspondence, writings, evidence of title, and other papers relating to the Acquired Group and the Business, including with respect to engineering, property, Tax records, environmental, regulatory, contract and land books and records in their present form, except for Excluded Books and Records. Books and Records

shall include copies of all books, records, documents, instruments, accounts, correspondence, writings, evidence of title and other papers, in each case, required to be maintained under any applicable Law.

"***Business***" means the business of owning and operating the LA Terminal System as conducted as of the Execution Date by the Acquired Group, the Sellers and their Affiliates.

"***Business Day***" means any day on which banks are open for business in California, other than Saturday or Sunday.

"***Buyer***" shall have the meaning set forth in the preamble.

"***Buyer Consents***" shall have the meaning set forth in Section 4.3.

"***Buyer Deliverables***" shall have the meaning set forth in Section 2.3.

"***Buyer Guaranty***" shall have the meaning set forth in the Recitals.

"***Buyer Indemnified Parties***" means Buyer and each of Buyer's Affiliates and permitted assigns and successors in interest, and each of and its and their directors, officers, employees, and Representatives.

"***Buyer Parent***" shall have the meaning set forth in the Recitals.

"***Cal Edison PSA***" means that certain Asset Sale Agreement dated as of February 1, 2002 by and between Southern California Edison Company, a California corporation, as Seller, and PPS Holding Company, a Delaware corporation, as Buyer, to the extent made available by Sellers to Buyer as of the Execution Date.

"***Calpine Agreement***" means that certain Natural Gas Sale and Purchase Agreement, by and among, Calpine Energy Solutions, LLC, Plains Pipeline, Plains West Coast, Pacific Pipeline and Plains Products Terminals LLC, dated as of May 2, 2008, as amended by that certain Amendment to the Natural Gas Sale and Purchase Agreement, dated as of July 19, 2019.

"***Cap***" shall have the meaning set forth in Section 11.4(a).

"***Carve-Out Financial Statements***" means (a) (i) the audited consolidated balance sheet of the Acquired Group as of and for the fiscal year ended December 31, 2019, and related audited consolidated statements of income and cash flows for the year then ended, in each case, prepared in accordance with GAAP (the "***Audited Financial Statements***") or (ii) the Special Purpose Financial Statements, as determined pursuant to Section 5.4, and (b) the unaudited consolidated balance sheet of the Acquired Group as of the most recently ended quarter that is at least sixty (60) days prior to the Closing Date.

"***Casualty Event***" shall have the meaning set forth in Section 7.12(a).

"***Casualty Event Notice***" shall have the meaning set forth in Section 7.12(a).

"***Casualty Event Termination Date***" shall have the meaning set forth in Section 7.12(b).

"***Claim***" means a dispute, claim, or controversy whether based on contract, tort, strict liability, statute or other legal or equitable theory (including any claim of fraud, misrepresentation or fraudulent inducement or any question of validity or effect of an agreement).

"***Closing***" shall have the meaning set forth in Section 2.1.

"***Closing Date***" shall have the meaning set forth in Section 2.1.

"***Closing Date Payment***" means an amount equal to the Base Purchase Price, *minus* (a) the Deposit, *plus* (b) the Estimated Inventory Value, *plus* (c) the absolute value of the Estimated Special Permit Repair Adjustment Amount (if the Estimated Special Permit Repair Adjustment Amount is a negative number), *minus* (d) the Estimated Special Permit Repair Adjustment Amount (if the Estimated Special Permit Repair Adjustment Amount is a positive number), *minus* (e) the Estimated Closing Indebtedness, *minus* (f) the REDACTED (if applicable).

"***Closing Indebtedness***" means, without duplication, the aggregate amount of all outstanding Indebtedness of the Acquired Group as of the Closing.

"***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act of 1985.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Condition Completion Date***" means the date on which the satisfaction or waiver of the conditions set forth in Article IX (other than those conditions relating to execution and delivery of the Ancillary Agreements and any other deliverables required to be delivered at the Closing) occurs.

"***Confidentiality Agreement***" shall have the meaning set forth in Section 7.7(a).

"***Consents***" means all (a) required authorizations, approvals, consents or Orders of, or registrations, declarations or filings with, or expiration of waiting periods imposed by, any Governmental Entity and (b) notices to, consents or approvals of, any Third Party necessary to prevent any conflict with, violation or breach of, or default under, (i) any Contract or Permit or (ii) solely with respect to Section 7.4, any Franchise Agreement or Rights of Way, in each of clauses (a) or (b) above, with respect to the consummation of the Transaction.

"***Consolidated Group***" means any affiliated, combined, consolidated, unitary or similar group with respect to any Taxes, including any affiliated group within the meaning of Section 1504 of the Code electing to file consolidated federal income Tax Returns and any similar group under foreign, state or local law.

"***Contract***" shall mean any agreement, indenture, instrument, note, bond, loan, lease, deed, sublease, deed of trust, assignment, mortgage, license agreement, purchase order, binding bid or offer, binding term sheet or letter of intent or memorandum, commitment, letter of credit, including any amendments or modifications thereof, but excluding franchise agreements, easements and rights of way, and whether written or oral.

"***CPI***" means the Consumer Price Index for All Urban Consumers, U.S. City Average, for all items, 1982-1984 published by the United States Department of Labor on its website.

"***CPUC***" means Public Utilities Commission of the State of California, or its regulatory successor.

"***Credit Support Instruments***" shall have the meaning set forth in Section 3.18.

"***Creditor's Rights Exception***" shall have the meaning set forth in Section 3.2.

"***Current Assets***" means the current assets of the Acquired Group as of the Effective Time, as determined in accordance with the Accounting Rules but excluding the Inventory Value, accounts receivable that remains uncollected one hundred twenty (120) days after the Closing Date (the "***Aged Accounts Receivable***"), operating lease assets, Tax assets (other than Tax assets relating to prepaid ad valorem, property or similar Taxes allocable to a Post-Closing Tax Period (or portion thereof), as determined in accordance with the principles set forth in Section 7.10(a)) and amounts included in the calculation of the Special Permit Repair Adjustment Amount. Schedule 1.1(a) contains a representative balance sheet which reflects the categories of Current Assets of the Acquired Group to be included in the Net Working Capital Adjustment Amount.

"***Current Liabilities***" means the current liabilities of the Acquired Group as of the Effective Time, as determined in accordance with the Accounting Rules but excluding Closing Indebtedness, operating lease liabilities, Tax liabilities (other than Tax liabilities relating to assessed but unpaid ad valorem, property or similar Taxes allocable to a Pre-Closing Tax Period (or portion thereof), as determined in accordance with the principles set forth in Section 7.10(a)) and amounts included in the calculation of the Special Permit Repair Adjustment Amount. Schedule 1.1(b) contains a representative balance sheet which reflects the categories of Current Liabilities of the Acquired Group to be included in the Net Working Capital Adjustment Amount.

"***Damage Amount***" shall mean an amount agreed to by Sellers and Buyer to reflect the cost to repair or replace the Damaged Portion. If Sellers and Buyer do not agree on the Damage Amount within fifteen (15) days of Buyer's receipt of a Casualty Event Notice, either Party may request an engineering company that shall be mutually agreed to by Buyer and Sellers to evaluate the Damaged Portion and deliver to Buyer and Sellers its written estimate of the Damage Amount within thirty (30) days after of Buyer's receipt of the Casualty Event Notice.

"***Damaged Portion***" shall have the meaning set forth in Section 7.12(a).

"***Debt Financing***" shall have the meaning set forth in Section 7.13.

"***Debt Financing Source***" and "***Debt Financing Sources***" means the Persons who have provided or do provide debt financing, issuances, or placements in connection with any Debt Financing, including any Persons named in any debt commitment letters, joinder agreements, indentures or credit agreements or similar agreements entered into in connection therewith or relating thereto together with such Persons' Affiliates, officers, directors, employees and representatives and their successors and assigns.

"***Deductible***" shall have the meaning set forth in Section 11.4(a).

"***Del Amo Manifold***" shall have the meaning set forth in Section 7.15(a).

"***Deposit***" shall have the meaning set forth in Section 1.3.

"***Disclosure Schedule***" means the disclosure schedule delivered by Sellers to Buyer in connection with this Agreement.

"***Dispute Notice***" shall have the meaning set forth in Section 2.7(b).

"***Dispute Period***" shall have the meaning set forth in Section 2.7(b).

"***Disputed Items***" shall have the meaning set forth in Section 2.7(d).

"***Dominguez Hills Terminal***" means that certain VGO and crude oil terminal system owned by Plains West Coast with a total shell capacity of approximately 4,100,000 barrels located near Dominguez Hills, California.

"***Easement Real Property***" shall have the meaning set forth in Section 3.11(c).

"***Effective Time***" shall have the meaning set forth in Section 2.1.

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"***Employee Benefit Plans***" means any bonus, vacation, deferred compensation, pension, retirement, profit-sharing, thrift, savings, employee unit ownership, unit bonus, unit purchase, restricted unit and unit option plan, any employment, retention or severance contract, any medical, dental, disability, health and life insurance plan, any other employee benefit and fringe benefit plan, contract or arrangement and any applicable "change of control" or similar provision in any plan, contract or arrangement maintained or contributed to for the benefit of officers, former

officers, employees, former employees, directors, former directors, or the beneficiaries of any of the foregoing, including any "employee benefit plan" as defined in ERISA Section 3(3).

"***Employee Withholding Documents***" shall have the meaning set forth in Section 8.12

"***Employees***" shall have the meaning set forth in Section 8.1.

"***Environmental Law***" means any and all applicable Laws relating to pollution or protection, preservation, remediation or restoration of the environment (including, soils, sediments, subsurface soils, land surface, surface waters, ground waters, indoor or outdoor ambient air or atmosphere) or natural resources, including applicable Laws relating to Releases or threatened Releases of Hazardous Materials, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, transport, disposal or handling of, or exposure of any Person or property to, Hazardous Materials, including, Pipeline Safety Laws (49 U.S.C. §§ 60101, *et seq*., 49 U.S.C. § 60302; 49 U.S.C. §§ 6101 *et seq. and* 33 U.S.C. § 1321), the Elder California Pipeline Safety Act of 1981 (California Government Code § 51010 *et seq*.), the Clean Air Act (42 U.S.C. § 7401 *et seq*.), the Comprehensive Environmental Response, Compensation, and Liability Act and the Superfund Amendments and Reauthorization Act (42 U.S.C. § 9601 *et seq*.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 *et seq*.), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq*.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq*.), the Safe Drinking Water Act (42 U.S.C. § 300f *et seq*.), the Federal Hazardous Materials Transportation Act (49 U.S.C. § 5101 *et seq*.), the provisions of the Occupational Safety and Health Act (29 U.S.C. § 651 *et seq*.) relating to Hazardous Materials, the Marine Mammal Protection Act (16 U.S.C. § 1361 *et seq*.), Endangered Species Act (16 U.S.C. § 1531 *et seq*.), the National Environmental Policy Act (42 U.S.C. § 4321 *et seq*.), and the Oil Pollution Act (33 U.S.C. § 2701 *et seq*.), as each has been amended from time to time and all other environmental conservation and protection laws.

"***Environmental Permit***" shall mean any Permit that is required by or issued pursuant to applicable Environmental Law, including but not limited to, all environmental permits, licenses, variances, exemptions, Orders, registrations and approvals of any Governmental Entity required for the Acquired Group to own and operate the Business, and all emission reduction credits or offsets, RECLAIM Trading Credits, greenhouse gas credits, and any type of emission credit required for the operation of the Business pursuant to Environmental Law (excluding, for the avoidance of doubt, the Franchise Agreements).

"***EPTC Connection***" shall have the meaning set forth in Section 7.15(a).

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

"***ERISA Affiliate***" means any Person, trade, or business (whether or not incorporated) which is (or at any relevant time was) a member of a "controlled group of corporations" with or under "common control" with Sellers as defined in Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"***Estimated Closing Indebtedness***" shall have the meaning set forth in Section 1.4(b).

"***Estimated Inventory Value***" shall have the meaning set forth in Section 1.4(b).

"***Estimated Special Permit Repair Adjustment Amount***" means:

(a) if the Special Permit Repair Amount Estimate is $10,000,000 or less, an amount equal to (i) the lesser of (A) the Special Permit Repair Amount Estimate or (B) $5,000,000, *minus* (ii) the reasonable and good faith estimate of the Seller Special Permit Expenditure Amount;

(b) if the Special Permit Repair Amount Estimate is greater than $10,000,000 but less than or equal to $20,000,000, an amount equal to (i) 50% of the Special Permit Repair Amount Estimate, *minus* (ii) the reasonable and good faith estimate of the Seller Special Permit Expenditure Amount; and

(c) if the Special Permit Repair Amount Estimate is greater than $20,000,000, unless otherwise mutually agreed by the Parties in writing, the Estimated Special Permit Repair Adjustment Amount shall equal (i) $10,000,000, *minus* (ii) the reasonable and good faith estimate of the Seller Special Permit Expenditure Amount.

"***Excluded Assets***" means the Subject Interests (as defined in the Reorganization Agreement) and the Subject Assets (as defined in the Reorganization Agreement).

"***Excluded Books and Records***" means books and records (a) the disclosure of which is inconsistent with any legal constraints or obligations regarding the confidentiality thereof or waives any attorney-client, work product or similar privilege; (b) relating to prior litigation, or litigation that is no longer applicable or pending; (c) relating to the Excluded Assets or the Seller Assumed Liabilities; (d) to the extent containing any information about Sellers or any of their respective Affiliates that is unrelated to the Acquired Group or the Business; (e) containing any information about Sellers or any of their respective Affiliates (other than the Acquired Group) pertaining to energy or project evaluation, energy price curves or projections or other economic or predictive models; (f) relating to Taxes of Sellers or any of their respective Affiliates (other than the Acquired Group); (g) constituting organizational documents of Sellers; (h) constituting minutes, seals, equity interest records and other records of internal company proceedings of Sellers; (i) that Sellers are required to retain by Law (in which event, copies thereof shall be delivered to Buyer); and (j) having been prepared in connection with, or relating in any way to the Transaction or any bids or offers received from Buyer or any Third Parties and analyses relating in any way to the sale of the Acquired Interests, the Subsidiary Interests or any assets or properties of the Acquired Group. Notwithstanding anything herein to the contrary, any Books and Records relating to the Identified Repairs or the Special Permit Required Repairs shall not be Excluded Books and Records.

"***Excluded Employees***" shall have the meaning set forth in Section 8.3.

"***Excluded Liabilities***" means the Subject Interest Liabilities (as defined in the Reorganization Agreement) and the Subject Asset Liabilities (as defined in the Reorganization Agreement).

"***Execution Date***" shall have the meaning set forth in the preamble.

"***Executive Order***" shall have the meaning set forth in Section 3.12.

"***Expiration Date***" shall have the meaning set forth in Section 11.5(a)(i).

"***Final Closing Indebtedness***" shall have the meaning set forth in Section 2.7(f).

"***Final Inventory Value***" shall have the meaning set forth in Section 2.5.

"***Final Net Working Capital Adjustment Amount***" shall have the meaning set forth in Section 2.7(f).

"***Final Outside Date***" shall have the meaning set forth in Section 10.1(d).

"***Final Special Permit Repair Adjustment Amount***" shall have the meaning set forth in Section 2.8(f).

"***Franchise Agreements***" shall have the meaning set forth in Section 3.20.

"***Fraud***" means an actual and intentional misrepresentation or omission of a material fact by a Party in the making of the representations and warranties by such Party in Article III or Article IV, as applicable, with the specific intent to deceive and mislead the other Party, which constitutes common law fraud. For the avoidance of doubt, "Fraud" expressly excludes constructive fraud, equitable fraud, promissory fraud, unfair dealing fraud and "fraud" as defined under Chapter 27 of the Texas Business and Commerce Code or any similar Texas statute that does not require a demonstration of an intent to deceive or mislead the other Party.

"***FTC***" means the United States Federal Trade Commission.

"***Fundamental Representations***" means, with respect to Sellers, the representations and warranties contained in Sections 3.1 (*Organization*), 3.2 (*Authorization*), 3.3 (*No Conflicts with Governing Documents*), 3.5 (*Acquired Interests*; *Capitalization*) and 3.10 (*No Brokers or Finders*) and with respect to Buyer, the representations and warranties contained in Sections 4.1 (*Organization*), 4.2 (*Authorization*), 4.3(a) (*No conflicts with Governing Documents*) and 4.5 (*No Brokers or Finders*).

"***GAAP***" means generally accepted accounting principles in the United States of America.

"***Governing Documents***" means with respect to (a) a corporation, its articles or certificate of incorporation and by-laws, (b) a partnership, its certificate of limited partnership or partnership declaration, as applicable, and partnership agreement, (c) a limited liability company, its certificate of formation and limited liability company agreement and (d) any other Person, the other organizational or governing documents of such Person.

"***Government List***" means any of (a) the two lists maintained by the United States Department of Commerce (Denied Persons and Entities), (b) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (c) the two lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties).

"***Governmental Entity***" means any Federal, state, local or foreign court or governmental agency, authority or instrumentality or regulatory body.

"***Hazardous Material***" shall mean any substance, material, or waste that, by its nature or its use, is regulated or as to which standards of conduct or liability are imposed under any Environmental Law including, any: (a) chemical, product, material, substance or waste defined as or included in the definition of "hazardous substance," "hazardous material," "hazardous waste," "restricted hazardous waste," "extremely hazardous waste," "solid waste," "toxic waste," "extremely hazardous substance," "toxic substance," "toxic pollutant," "contaminant," "pollutant," or words of similar meaning or import found in any Environmental Law, (b) petroleum hydrocarbons, petroleum products, petroleum substances, natural gas, crude oil, or any components, fractions, or derivatives thereof when Released into the environment, and (c) asbestos containing materials, polychlorinated biphenyls, radioactive materials, urea formaldehyde foam insulation or radon gas.

"***Hiring Party***" shall have the meaning set forth in Section 7.18.

"***HSR Act***" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations promulgated thereunder.

"***Huntington PSA***" means that certain Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions, dated as of January 14, 2016, by and between Plains West Coast, as Seller, and SLF - HB Magnolia, LLC, a Delaware limited liability company, including all amendments to date.

"***Hydrocarbons***" shall mean oil and natural gas and other hydrocarbons produced or processed in association therewith (whether or not any such item is in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

"***Identified Anomalies***" shall have the meaning set forth in Section 3.9(f).

"***Identified Repair Status Statement***" shall have the meaning set forth in Section 7.14(b).

"***Identified Repairs***" shall have the meaning set forth in Section 3.9(f).

"***Inactive Pipelines***" means pipelines owned or operated by the Acquired Group that are inactive and/or out of service and are not presently transporting crude oil, natural gas, petroleum products or Hazardous Materials, which are set forth on Schedule 3.11(i).

"***Indebtedness***" means, with respect to any Person at any date, without duplication: (a) all obligations of such Person for borrowed money or in respect of loans or advances; (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments (including any notes, deferred purchase price obligations or earnout obligations issued or entered into in connection with any acquisition undertaken by such Person); (c) all obligations in respect of letters of credit and bankers' acceptances issued for the account of such Person; (d) any obligations of such Person as lessee that are capitalized in accordance with GAAP other than the items set forth on Schedule 1.1(e); (e) any obligations in respect of letters of credit, bankers' acceptances and similar facilities issued for the account of such Person; (f) obligations of such

Person or in respect of swaps, collars, caps, hedges, derivatives or similar arrangements, (g) any obligation of any Acquired Entity for borrowed money in respect of loans or advances under any Contract with any Seller or any of their Affiliates, (h) all guaranties of such Person in connection with any of the foregoing and (i) any accrued interest, prepayment premiums, penalties or other costs or expenses related to any of the foregoing.

"***Indemnified Claims***" shall have the meaning set forth in Section 11.3(a).

"***Indemnified Parties***" means the Buyer Indemnified Parties and the Seller Indemnified Parties, as applicable.

"***Indemnifying Party***" shall have the meaning set forth in Section 11.2(a).

"***Independent Accountant***" shall have the meaning set forth in Section 2.7(e).

"***Independent Engineer***" means Kiefner and Associates, or, if such firm is not available at the time or for any reason the Parties mutually agree not to employ such firm, another engineering firm with comparable experience mutually agreed upon by each of the Parties.

"***Initial Outside Date***" shall have the meaning set forth in Section 10.1(d).

"***Inspector***" shall have the meaning set forth in Section 2.5.

"***Intellectual Property***" means, in respect of any Person, any and all intellectual property rights, under the Laws of the United States of America or any other jurisdiction, including all names, Trademarks, tradenames, logos, know-how, copyrights, copyright registrations and applications for registration, patents, and all other intellectual property rights (including internet domain names), whether registered or not, including the goodwill related to the foregoing, that is licensed to or owned by such Person.

"***Interim Period***" shall have the meaning set forth in Section 5.1(a).

"***Inventory***" means all Hydrocarbons owned by the Acquired Group, including Hydrocarbon inventory, line fill, tank bottoms and unit fill, as determined in accordance with the Inventory Methodology.

"***Inventory Methodology***" shall have the meaning set forth in Section 2.5.

"***Inventory Value***" means the aggregate value of the Inventory, calculated in accordance with the Inventory Methodology.

"***Knowledge***" and any variations thereof or words to the same effect shall mean (a) with respect to Buyer, the actual knowledge, after due inquiry of their direct reports who would reasonably be expected to have actual knowledge of matters related to the Transaction, of the following persons: Carlos Ruiz, Cristina Masson and Shannon Caldwell; and (b) with respect to Sellers, the actual knowledge, after due inquiry of their direct reports who would reasonably be expected to have actual knowledge of matters related to the LA Terminal System or the

Transaction, of the following persons: Douglas S. Kennedy, Allen Hebert, Sherri Adkins, Ngiabi Gicuhi, Bill Senner, Glen Mears, Rich Hartig, and Steven Franks.

"***LA Terminal System***" means those certain VGO and crude oil storage and distribution terminal facilities located in Southern California consisting of the Dominguez Hills Terminal, the Long Beach Terminal, the Alamitos Terminal and the PWCT Pipeline System, and, for the avoidance of doubt, excluding the West Hynes Terminal.

"***Law***" means all applicable Federal, state and local statutes, laws, rules, regulations, Orders, ordinances, writs, injunctions, judgments and decrees of all Governmental Entities.

"***Leased Real Property***" shall have the meaning set forth in Section 3.11(b).

"***Leave***" shall have the meaning set forth in Section 8.1.

"***Liens***" means, collectively, any mortgage, pledge, lien, claim, charge, security interest, restriction, lease, tenancy, license, other possessory interest, right of purchase, conditional sales obligation, easement, restriction, covenant, condition or other encumbrance of any kind.

"***Long Beach Terminal***" means that certain crude oil terminal system owned by Plains West Coast with a total shell capacity of approximately 1,500,000 barrels located in Long Beach, California.

"***Losses***" means any and all losses, costs, obligations, liabilities, Taxes, settlement payments, awards, judgments, fines, penalties, damages (including wrongful death, personal injury or property damage), private or governmental environmental response and cleanup costs (on-site or off-site), environmental closure and post-closure financial assurance costs, private or governmental natural resource damage claims, medical monitoring costs, expenses (including those incurred with investigating, preparing, defending, bringing or prosecuting any claim, action, suit or proceeding and including, but not limited to, all costs and expenses of all attorneys, experts, and consultants in all tribunals and whether or not legal proceedings are commenced by or against an Indemnified Party and including those related to title gaps and other title matters requiring curative work), deficiencies or other charges.

"***Major Facilities***" means the properties covered by the Major Facility Title Reports.

"***Major Facility Title Reports***" means those Title Reports set forth on Schedule 1.1(c).

"***Management Accounts***" shall have the meaning set forth in Section 3.16(a).

"***Material Adverse Effect***" means any occurrence, condition, change, event, or effect that individually or in the aggregate, (a) (i) has or is reasonably expected to have a material and adverse effect (whether financial, operational or otherwise) on the Acquired Group or the assets and properties of the Acquired Group, taken as a whole, (ii) renders, or is reasonably be expected to render, the Long Beach Terminal, the Dominguez Hill Terminal or the REDACTED commercially inoperable for more than one hundred twenty (120) days and which has not been, or is not reasonably be expected to be, remedied within such one hundred twenty (120) day period or (b) that would prevent or materially delay, interfere with, impair or hinder the ability of a Party or

any of its Affiliates to perform their respective obligations under this Agreement to which they are parties or would prevent or materially delay, interfere with, impair or hinder the consummation of the Transaction; *provided*, *however*, that "Material Adverse Effect" shall exclude any occurrence, condition, change, event or effect to the extent (A) generally affecting (1) the petroleum products production, transportation, storage, processing, distribution, refining, terminaling or retail industries; (2) the global economy or the economy of the United States of America; or (3) any financial, capital, credit or securities markets; or (B) resulting from or relating to (i) any fluctuations in interest or exchange rates or of the prices of steel, oil, gas or any other commodity; (ii) any changes in Law, GAAP or other accounting standards after the date of this Agreement, or prospective changes in Law, GAAP or other accounting standards, or any changes or prospective changes in the interpretation or enforcement of any of the foregoing; (iii) any default by the United States of America on any of its debt obligations, or any change or prospective change in the rating of debt obligations of the United States of America by one or more Nationally Recognized Statistical Rating Organizations; (iv) any outbreak or escalation of hostilities, declared or undeclared acts of war, terrorism or insurrection, or acts of piracy; (v) any national emergency or the occurrence of any other calamity or crisis, including pandemics, earthquakes, hurricanes, tornados or other natural disasters, or changes in weather or climate in general, or solely with respect to clause (a)(i), any Casualty Events; (vi) except for purposes of Section 3.3, the announcement or pendency of the Transaction, including any termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with any customers, suppliers, distributors, partners, members, managers or employees of Sellers or their respective Affiliates due to the announcement or pendency of the Transaction; and (vii) any action taken by such Party or its respective Affiliates that (x) is not prohibited from being taken without consent under, this Agreement or (y) was taken upon another Party's advance written consent pursuant to this Agreement, (viii) the failure by Sellers to take any action that is required by Section 5.2(a) to the extent Buyer fails to give its prompt and unconditioned consent thereto after a request therefor by Sellers; (ix) any change or prospective change in the rating of debt obligations of such Party by one or more Nationally Recognized Statistical Rating Organizations; (x) any change in the trading prices or trading volume of such Party's capital stock or its debt; (xi) the failure of such Party to meet internal or analysts' expectations or projections (unless the underlying cause of such failure otherwise qualifies as a "Material Adverse Effect"); and (xii) the compliance by such Party with the terms of this Agreement; *provided*, *further*, that any occurrence, condition, change, event or effect referred to in clauses (A)(1), (B)(iv) or (B)(v) above may be taken into account in determining whether or not there has been a Material Adverse Effect to the extent it has a disproportionate adverse effect on the Acquired Group or any assets or properties of the Acquired Group, taken as a whole, as compared to similarly situated assets of any Third Party in Southern California (in which case the incremental disproportionate effect or effects may be taken into account in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect).

"***Material Contracts***" means each Contract (other than real property leases, Rights of Way or Franchise Agreements) to which a member of the Acquired Group is a party (a) that is a terminal services Contract, (b) involving aggregate consideration payable to or by such Person of Five Hundred Thousand Dollars ($500,000) or more in any year or One Million Dollars ($1,000,000) in the aggregate, which is a (i) property management, service, supply or maintenance Contract, (ii) demolition Contract or construction Contract relating to work-in-progress, (iii) equipment lease (whether operating or capital leases), (iv) installment purchase Contract, (v) Contract or other

arrangement which restricts the nature of the Business, (vi) utility, power or other Contract or arrangement with a public utility commission, (vii) tank or pipeline inspection, service or repair Contract, (viii) pipeline spill remediation Contract or (ix) emergency response Contract or (c) as to which the breach, nonperformance, cancellation or failure to renew by any member of the Acquired Group or any other party thereto could reasonably be expected to have a Material Adverse Effect.

"***Material Railroad Easement Agreement***" means that certain agreement by and between Southern Pacific Transportation Company and Southern California Edison Company, dated as of August 8, 1973. For the avoidance of doubt, the term "Franchise Agreements" shall include the Material Railroad Easement Agreement.

"***Nationally Recognized Statistical Rating Organizations***" means a rating agency approved by the United States Securities and Exchange Commission to issue credit ratings for financial and other transactions, including, but not limited to, Standard & Poor's, and Moody's Investment Services.

"***Natural Hazard Disclosure Statement***" shall have the meaning set forth in Section 12.11.

"***Natural Hazard Expert***" shall have the meaning set forth in Section 12.11.

"***Natural Hazard Report***" shall have the meaning set forth in Section 12.11.

"***Net Working Capital Adjustment Amount***" means, as of any time of determination, an amount equal to (i) Current Assets (excluding any Current Assets actually received or retained by Sellers or any of their Affiliates (other than the Acquired Group) after the Effective Time), *minus* (ii) Current Liabilities (excluding any Current Liabilities actually satisfied by Sellers or any of their Affiliates (other than the Acquired Group) after the Effective Time), each calculated as of the Effective Time without giving effect to the Closing, expressed as a positive number, if positive, and a negative number, if negative.

"***Non-Recourse Party***" shall have the meaning set forth in Section 12.10.

"***Objection***" shall have the meaning set forth in Section 11.3(b).

"***Order***" shall mean any order, writ, injunction, decree, compliance or consent order or decree, settlement agreement, schedule and similar binding legal agreement issued by or entered into with a Governmental Entity.

"***Ordinary Course of Business***" shall mean, with respect to the operation of the assets and properties of the Acquired Group, the operation thereof consistent with practices during the twelve (12) month period ending on the Execution Date (including as such practices may have been changed, modified, supplemented or eliminated during such period) with respect to the operation thereof. For the avoidance of doubt, "Ordinary Course of Business" shall not consist of practices which are below prudent industry standards.

"***OSFM***" means the California Office of the State Fire Marshall, or its regulator successor.

"***Outside Filing Date***" shall have the meaning set forth in Section 7.11.

"***Owned Improvements***" shall mean all buildings, facilities, fixtures, structures, improvements, and storage tanks situated on the Owned Land.

"***Owned Land***" shall have the meaning set forth in Section 3.11(a).

"***Owned Real Property***" shall have the meaning set forth in Section 3.11(a).

"***Pacific Energy***" shall have the meaning set forth in the recitals.

"***Pacific Pipeline***" shall mean Pacific Pipeline System LLC, a Delaware limited liability company.

"***Party***" and "***Parties***" shall have the meaning set forth in the preamble.

"***PEG Execution Date Interests***" shall have the meaning set forth in Section 3.5(b)(ii).

"***PEG Execution Date Subsidiaries***" shall have the meaning set forth in Section 3.5(b)(ii).

"***Permits***" shall mean the Environmental Permits, and any other applicable permits, licenses, variances, exemptions, Orders, registrations and approvals of any Governmental Entity, but excludes the Franchise Agreements and any Rights of Way.

"***Permitted Liens***" shall mean any of the following matters:

(a) any (i) inchoate Liens or similar charges constituting or securing the payment of expenses which were incurred incidental to the operation, storage, transportation, shipment, handling, repair, construction, improvement or maintenance of the Acquired Group's assets and properties, and (ii) materialman's, mechanics', repairman's, employees', contractors', operators', warehousemen's, barge or ship owner's and carriers' Liens or other similar Liens, security interests or charges arising in the Ordinary Course of Business incidental to the operation of the Acquired Group's assets and properties, in the case of clauses (i) and (ii) above, each securing amounts the payment of which is not delinquent and that will be paid in the Ordinary Course of Business or, if delinquent, that are being contested in good faith with any Action to foreclose or attach any of the Acquired Group's assets or properties on account thereof properly stayed and with respect to which adequate reserves have been established in accordance with GAAP;

(b) any Liens for Taxes not yet delinquent or, if delinquent, that are being contested by Sellers or any Affiliate of Sellers in good faith in the Ordinary Course of Business and with respect to which adequate reserves have been established in accordance with GAAP;

(c) any Liens or security interests reserved in any Contracts or in any rights of way or other real property interests conveyed as part of the Rights of Way or Ancillary Real Property Rights for rental or for compliance with the terms of such Contracts, rights of way or other real property interests, provided payment of the debt secured is not delinquent or, if delinquent, is being contested in good faith in the Ordinary Course of Business;

(d) any Liens on the fee property under the Leased Real Property, Easement Real Property and Rights of Way;

(e) all prior reservations of minerals in and under or that may be produced from any of the lands constituting part of the Acquired Group's assets or properties or on which any part of the Acquired Group's assets or properties is located, and the rights of the holders or lessee thereof;

(f) rights reserved to or vested in any Governmental Entity to control or regulate any assets or properties of the Acquired Group and all Laws of such authorities, including any building, subdivision or zoning Laws and all Environmental Law;

(g) any Contract, easement, instrument, Lien, Permit, amendment, extension or other matter entered into by a Party in accordance with the terms of this Agreement or in compliance with the approvals or directives of the other Party made pursuant to this Agreement;

(h) any Lien created by Buyer;

(i) the terms and provisions of the instruments conveying or evidencing the Real Property Interests, as to the real property affected thereby;

(j) restrictive covenants, easements, rights-of-way (including utility rights-of-way), servitudes, and other burdens and defects, imperfections or irregularities of title that are disclosed in the Title Reports, or otherwise of record (excluding any financial encumbrances or Liens created or suffered by, through or under either Seller or its Affiliates);

(k) restrictive covenants, easements, rights-of-way (including utility rights-of-way), servitudes, and other burdens and defects, imperfections or irregularities of title that are disclosed in any surveys made available to Buyer prior to the Execution Date;

(l) any (i) discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, overlapping of improvements, or any other matters: (A) that may reasonably be expected to be shown or identified by a survey or physical inspection (whether or not made) of the Owned Real Property, Easement Real Property, Leased Real Property and Rights of Way, and/or (B) that are in fact disclosed or identified in any surveys of the Owned Real Property, Easement Real Property, Leased Real Property and Rights of Way that are obtained by Buyer, and (ii) restrictive covenants, easements, rights-of-way (including utility rights-of-way), servitudes, and other burdens and defects, imperfections or irregularities of title with respect to the Owned Real Property, Easement Real Property, Leased Real Property and Rights of Way, whether disclosed in the Title Report or any title commitments or obtained by or for or at the direction of Buyer or otherwise, in the case of any item disclosed in clause (i) or (ii) above, which, individually or in the aggregate, do not materially detract from the value of the Acquired Group's assets and properties as currently used or materially interfere with the current operation or use of the Acquired Group's assets and properties or the Business; and

(m) all items set forth on Schedule 3.11(e).

"***Person***" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, Governmental Entity or other entity.

"***PHMSA***" means the Pipeline and Hazardous Materials Safety Administration of the U.S. Department of Transportation, or its regulator successor.

"***Pipelines***" means all pipelines owned or operated by the Acquired Group that currently, or previously have been used to, transport crude oil, natural gas, petroleum products or Hazardous Materials, including the PWCT Pipeline System and the Inactive Pipelines, as described on Schedule 3.11(i).

"***Plains All American***" shall have the meaning set forth in the preamble.

"***Plains Marketing***" shall have the meaning set forth in the preamble.

"***Plains Pipeline***" shall mean Plains Pipeline, L.P., a Texas limited partnership.

"***Plains West Coast***" shall have the meaning set forth in the recitals.

"***Position Statement***" shall have the meaning set forth in Section 2.7(e).

"***Post-Closing Statement***" shall have the meaning set forth in Section 2.7(a).

"***Post-Closing Tax Period***" means any Tax period beginning on or after the Closing Date.

"***PPS Common Carrier System***" has the meaning set forth in Section 7.15(a).

"***Pre-Closing Tax Period***" means any Tax period ending before the Closing Date.

"***Proposal***" shall have the meaning set forth in Section 5.6.

"***Purchase Price***" shall have the meaning set forth in Section 1.2.

"***Purchase Price Allocation***" shall have the meaning set forth in Section 7.10(d).

"***PWCT Pipeline System***" means the approximately fifty (50) mile bi-directional crude oil and VGO system owned by Plains West Coast as set forth on Schedule 3.11(i).

"***PWCT Sublease***" means that certain Surface Sub-Lease Agreement, by and between Plains Products Terminals LLC and Plains West Coast, dated June 1, 2007, including any amendments, supplements or modifications thereto.

"***Real Property Interests***" shall have the meaning set forth in Section 3.11(d).

"***Referral Date***" shall have the meaning set forth in Section 2.7(e).

"***Release***" shall mean any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing into or through the environment.

"***Relocation Projects***" shall have the meaning set forth in Section 7.16.

"***Remaining Items***" shall have the meaning set forth in Section 2.7(e).

"***Removal Deadline***" shall have the meaning set forth in Section 6.4.

"***Reorganization Agreement***" means that certain Reorganization Agreement in substantially the form attached hereto as Exhibit J.

"***Reorganization Transfer Taxes***" shall have the meaning set forth in Section 2.4(a).

"***Representatives***" means, with respect to any Person, such Person's officers, directors, employees, agents and other representatives (including investment bankers and underwriters or initial purchasers of securities, lenders and their respective attorneys or consultants, and the attorneys or consultants retained by such Person).

"***Resolution Period***" shall have the meaning set forth in Section 2.7(d).

"***Restricted Information***" shall have the meaning set forth in Section 7.7(b).

"***Restricted Parties***" shall have the meaning set forth in Section 7.17(a).

"***Restriction Period***" shall have the meaning set forth in Section 7.17(a).

"***Review Period***" shall have the meaning set forth in Section 11.3(b).

"***Rights of Way***" means any leases, easements, rights of way, property use agreements, line rights and real property licenses and rights-of-way permits (including from railroads and road crossing permits or other rights-of-way permits or Franchise Agreements from any Governmental Entity) pursuant to which any member of the Acquired Group has the right to use the real property on which the Pipelines are located.

"***Rocky Mountain***" shall mean Rocky Mountain Pipeline System, LLC, a Texas limited liability company.

"***Seller***" and "***Sellers***" shall have the meanings set forth in the preamble.

"***Seller Assumed Liabilities***" means all Losses, obligations or liabilities relating to the Acquired Group or attributable to or arising out of the ownership or operation of the Business, the Acquired Interests or the Subsidiary Interests, in connection with any of the following:

(a) the Contracts of the Business or to which the Acquired Group is or was a party, including but not limited to the Material Contracts (including accounts payable), with respect to the period prior to the Effective Time or attributable to or arising out of the ownership or operation of the Business prior to the Effective Time; *provided, that*, with respect to (1) the Cal Edison PSA and (2) the Huntington PSA, the Seller Assumed Liabilities shall also include all Losses, obligations or liabilities incurred after or attributable to periods after the Effective Time to the extent that such Losses, obligations or liabilities were not attributable to or arising out of (x) a

knowing breach by the Acquired Group or its Affiliates of the Cal Edison PSA occurring after the Effective Time or (y) a breach by the Acquired Group or its Affiliates of the Huntington PSA occurring after the Effective Time.

(b) personal injury or death or damage to property of any Third Party attributable to or arising out of the ownership or operation of the Business prior to the Effective Time;

(c) all fines or penalties prescribed by a Governmental Entity for a violation by any Seller (with respect to the Business) or any member of the Acquired Group or any of their Affiliates (with respect to the Business) of any Environmental Permits or Laws (including Environmental Laws but excluding Laws with respect to Taxes) which fine or penalty has been assessed or is pending prior to the Effective Time;

(d) the Sellers' or the Acquired Group's or their Affiliates' off-site disposal of Hazardous Materials resulting from the ownership or operation of the Business prior to the Effective Time;

(e) all Seller Taxes;

(f) Employee Benefit Plans maintained, sponsored or contributed to (or required to be contributed to) by Sellers or Sellers' Affiliates, including any ERISA Affiliates, whenever arising;

(g) the employment or service of any current or former employee, director or other service provider of Sellers or Sellers' Affiliates with respect to the period prior to the Effective Time;

(h) the termination of employment or service of any current or former employee, director or other service provider on or prior to the Effective Time;

(i) all Indebtedness of any Acquired Entity;

(j) all Actions, notices and proceedings disclosed in Schedules 3.4, 3.6, 3.9(a), 3.9(b)(ii) and 3.9(e); and

(k) all Excluded Assets and Excluded Liabilities.

"***Seller Consents***" shall have the meaning set forth in Section 3.3.

"***Seller Consolidated Group***" means any Consolidated Group of which each of (a) a member of the Acquired Group and (b) a Seller or an Affiliate of a Seller (other than a member of the Acquired Group), is or was a member prior to the Closing Date.

"***Seller Consolidated Return***" means any Tax Return of a Seller Consolidated Group.

"***Seller-Controlled Tax Contest***" shall have the meaning set forth in Section 7.10(f).

"***Seller Deliverables***" shall have the meaning set forth in Section 2.2.

"***Seller Indemnified Parties***" means Sellers and their respective Affiliates and permitted assigns and successors in interest, and each of and its and their directors, officers, employees, and Representatives.

"***Seller Marks***" means any trade name, Trademark or logo used by Sellers or their respective Affiliates (including the Acquired Group), or any word, logo or expression, including the name "Plains" or "PAA" or other similar identifier, or constituting an abbreviation, derivation or adaptation thereof, in all cases.

"***Seller Special Permit Expenditure Amount***" means the aggregate reasonable and documented costs and expenses incurred by Sellers or their respective Affiliates in respect of any Special Permit Required Repairs as of the Special Permit True Up Date

"***Seller Taxes***" means any and all Taxes (a) of the Business or of or imposed on any member of the Acquired Group or for which any member of the Acquired Group is otherwise liable, in each case, for any Pre-Closing Tax Period and for the portion of any Straddle Period ending immediately prior to the Closing Date (determined in accordance with Section 7.10(a)); (b) of any Consolidated Group (or any member thereof, other than the Acquired Group) of which any member of the Acquired Group (or any predecessor thereof) is or was a member prior to the Closing Date by reason of Treasury Regulation § 1.1502-6(a) or any analogous or similar foreign, state or local law; (c) of any other Person for which any member of the Acquired Group is or has been liable as a transferee or successor, by contract or otherwise, resulting from events, transactions or relationships occurring or existing prior to the Closing; or (d) relating to or arising from any of the transactions contemplated by the Reorganization Agreement (other than any Reorganization Transfer Taxes allocable to Buyer pursuant to Section 2.4); *provided*, *that* no such Tax will constitute a Seller Tax to the extent such Tax (i) was included as a Current Liability in the Final Net Working Capital Adjustment Amount or (ii) is attributable to any action taken on the Closing Date after the Closing by Buyer or any of its Affiliates (including the Acquired Group) other than any such action taken in the ordinary course of business.

"***Special Permit***" means the permit requested under the Special Permit Application which (i) is in full force and effect, (ii) PHMSA has not taken any action to object to its granting by OSFM or stay its effectiveness within the sixty (60) day statutory period before its effective date, (iii) is not subject to any appeal filed by any Person with standing to file such an appeal before, and is not subject to any stay issued by, any Governmental Entity with jurisdiction to hear such appeal or issue such stay, (iv) conforms in all material respects with the requests in the Special Permit Application, (v) includes no material conditions that are not satisfactory to Buyer, in its reasonable discretion, other than those set forth in Exhibit K, as requested in the Special Permit Application, and (vi) has a ten (10) year term, or (vii) if any of the preceding conditions clauses (i) through (vi) above is not satisfied is otherwise satisfactory to Buyer as confirmed by written notice delivered to Sellers in accordance with Section 12.1.

"***Special Permit Application***" means that certain application to be resubmitted by Plains Marketing with respect to 49 C.F.R. 195.452(h)(4)(iii)(H) Corrosion of or along the Longitudinal Seam Weld, which is consistent in all material respect to Plains Marketing's application, a true

and correct copy of which is set forth in Exhibit L, which was withdrawn on October 9, 2019, but which shall be expanded to cover all segments of the PWCT Pipeline System containing the Identified Anomalies and which shall include each of the conditions set forth on Exhibit K, or which is otherwise satisfactory to Buyer as confirmed by written notice delivered to Sellers in accordance with Section 12.1.

"***Special Permit Disputed Items***" shall have the meaning set forth in Section 2.8(d).

"***Special Permit Dispute Notice***" shall have the meaning set forth in Section 2.8(b).

"***Special Permit Dispute Period***" shall have the meaning set forth in Section 2.8(b).

"***Special Permit Expenditure Statement***" shall have the meaning set forth in Section 2.8(a).

"***Special Permit Position Statement***" shall have the meaning set forth in Section 2.8(e).

"***Special Permit Referral Date***" shall have the meaning set forth in Section 2.8(e).

"***Special Permit Remaining Items***" shall have the meaning set forth in Section 2.8(e).

"***Special Permit Repair Adjustment Amount***" means:

(a) if the Special Permit Repair Amount is $10,000,000 or less, an amount equal to (i) the lesser of (A) the Special Permit Repair Amount or (B) $5,000,000, *minus* (ii) the Seller Special Permit Expenditure Amount; and

(b) if the Special Permit Repair Amount is greater than $10,000,000, an amount equal to (i) 50% of the Special Permit Repair Amount, *minus* (ii) the Seller Special Permit Expenditure Amount.

"***Special Permit Repair Amount***" means the aggregate reasonable and documented costs and expenses incurred by Buyer or its Affiliates in respect of any Special Permit Required Repairs as of the Special Permit True Up Date *plus* the Seller Special Permit Expenditure Amount, in each case calculated in accordance with GAAP, and including any such costs and expenses incurred by Sellers (and their respective Affiliates) that were not taken into account in the calculation of the Net Working Capital Adjustment Amount.

"***Special Permit Repair Amount Estimate***" shall have the meaning set forth in Section 7.14(c).

"***Special Permit Required Repairs***" means the repairs of Identified Anomalies required to comply with the requirements of the Special Permit, including (a) any additional digs and repairs resulting from the physical inspection of the Identified Anomalies or the engineering analysis performed by the Independent Engineer, (b) the hydrostatic tests required in the Special Permit (and any repair or remediation requirements resulting from such hydrotests) and (c) required digs and repairs resulting from the fracture analysis of the Identified Anomalies.

"***Special Permit Resolution Period***" shall have the meaning set forth in Section 2.8(d).

"***Special Permit True Up Date***" shall have the meaning set forth in Section 2.8(a).

"***Special Purpose Financial Statements***" shall mean (i) an unaudited balance sheet and (ii) an audited statement of revenue and direct operating expenses, in each case of the Acquired Group as of and for the fiscal year ended December 31, 2019.

"***Standard Procedure***" shall have the meaning set forth in Section 8.12.

"***Straddle Period***" means any Tax period beginning before and ending on or after the Closing Date.

"***Subsidiary Interests***" shall have the meaning set forth in Section 3.5(b)(ii).

"***Tax***" or "***Taxes***" means (a) all taxes, assessments, charges, duties, fees, levies or other governmental charges in the nature of a tax (whether payable directly or by withholding and whether or not requiring the filing of a Tax Return), including all federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, premium, real property, personal property, excise, severance, windfall profits, environmental, customs duties, stamp, license, payroll, employment, social security, unemployment, disability, registration, alternative or add-on minimum, withholding, and estimated taxes, (b) any additions to tax, penalties and interest imposed in connection with any item described in clause (a) above, and (c) any liability for such amounts described in clauses (a) or (b) above as a transferee or otherwise by operation of law, including as result either of being a member of a Consolidated Group or of a contractual obligation to indemnify any person or other entity.

"***Tax Contest***" mean any suit, litigation, arbitration, mediation, alternative dispute resolution procedure, claim, action, proceeding, hearing, audit, inquiry, examination or investigation of any nature with respect to Taxes (other than income Taxes unless such income Taxes are imposed directly on any member of the Acquired Group) of or with respect to the Business or the Acquired Group.

"***Tax Representation***" means the representations and warranties in Section 3.8.

"***Tax Return***" means any return, declaration, report or similar statement required to be filed with respect to any Taxes, information return, claim for refund, disclosure, amended return and declaration of estimated Taxes, or similar statement with respect to any Taxes, including any attachment thereto and any amendment thereof, including, for the avoidance of doubt, all Forms W-2 and 1099 required to be provided with respect thereto.

"***Taxing Authority***" means any Governmental Entity exercising any authority to impose or administer any Tax or any Tax regulatory authority.

"***Third Party***" means any Person other than the Parties.

"***Third Party Claim***" shall have the meaning set forth in Section 11.2(a).

"***Title Company***" means First American Title Insurance Company.

"***Title Insurance***" shall have the meaning set forth in Section 7.11.

"***Title Reports***" means those title commitments, reports or policies set forth on Schedule 1.1(d).

"***Trademarks***" means any and all trademarks, trademark registrations, trademark applications, service marks, service mark registrations, service mark applications, trade dress, word marks, word mark registrations, word mark applications, trade names and logos.

"***Transaction***" means the transactions contemplated by this Agreement and the Ancillary Agreements.

"***Transferable Environmental Permits***" means those Permits held by Sellers or their Affiliates (other than members of the Acquired Group) that are set forth on Schedule 1.1(f).

"***Transfer Time***" shall have the meaning set forth in Section 8.4.

"***Transferred Employees***" shall have the meaning set forth in Section 8.2.

"***Transition Services Agreement***" shall have the meaning set forth in Section 2.2(b).

"***Unaudited Closing Balance Sheet***" shall mean an unaudited consolidated balance sheet of the Acquired Group as of the Closing Date.

"***Uncontested Amount***" shall have the meaning set forth in Section 11.3(b).

"***VGO***" means vacuum gas oil.

"***WARN Obligations***" shall have the meaning set forth in Section 8.10.

"***West Hynes Terminal***" means that certain storage terminal located in Long Beach, California, which is commonly referred to as the "West Hynes Station."

EXHIBIT D

FINANCIAL STATEMENTS

Plains All American Pipeline, LP -

Income Statement by Segment - Houston Accounted -
YTD for Period Dec / 2018

Description	Plains West Cost Terminals LLC LE 1116
Revenue	
Storage, Terminalling, Processing and Related Revenues	
410ZZZZ Storage & Terminal Revenue	47,028,730
4157ZZZ Storage & Terminal Revenue-Non-ASC 606	97,222
413ZZZZ Natural Gas Terminalling & Storage	0
411ZZZZ Gas Processing Revenue	0
411YYYY Gas Processing Revenue-Interco/Interseg	0
415ZZZZ Other Revenues-Facilities-Non-ASC 606	247,833
4157YYY Storage & Terminal Revenue-Non-ASC 606-Interco/Interseg	0
410YYYY Storage & Terminal Revenue-Interco/Interseg	2,205,445
413YYYY Natural Gas Terminalling & Storage-Interco	0
Total Storage, Terminalling, Processing and Related Revenues	**49,579,229**
Total Revenue	**49,579,229**
Net Revenue	**49,579,229**
60ZZZZZ Field Operating Costs	**18,950,689**
70ZZZZZ General & Administration Expenses	**6,758,979**
Depreciation Amortization and Impairment Expense	
800ZZZZ Depreciation & Amortization Expense	6,343,377
810ZZZZ Asset Impairment Expense	0
Total Depreciation Amortization and Impairment Expense	**6,343,377**
Total Cost and Expenses	**32,053,045**
Operating Income	**17,526,184**
Other Income/(Expense)	
85AZZZZ Interest Expense	0
85BZZZZ Equity Earnings	0
852TTTT Gain/Loss on Sale of Investment	0
Interest and Other Income (Expense), Net	
852ZZZZ Interest Income	0
852YYYY Misc Other Expense	298,978
Total Interest and Other Income (Expense), Net	**298,978**
Income Tax Expense	
85DZZZZ Income Tax Expense-Current	0
85EZZZZ Income Tax Expense-Deferred	0
Total Income Tax Expense	**0**
Income before cumulative effect of change in accounting principle	**17,825,162**
Net Income	**17,825,162**

Plains West Coast Terminals LLC
Working Capital Estimate Template (Excludes all Inventory balances)

	August 31, 2019	September 30, 2019	October 31, 2019
Accounts Receivable - Crude Oil Terminal A/R			
Customer A	210,533	210,533	487,680
Customer B	1,266,978	1,194,120	725,973
Customer C	1,571,149	2,131,592	889,207
Customer D	1,557,456	1,581,856	1,573,968
Taxes Receivable	1,127,921	1,127,921	1,127,921
Crude Oil Terminal Misc. A/R	125,361	152,318	145,841
Current Receivables and Other Receivables	**5,859,397**	**6,398,341**	**4,950,591**
Prepaid Rentals - Metro Transit Authority Line 518, 519 & 521 ROW Rental	37,868	246,144	227,210
Prepaid Rentals - Union Pacific ROW Rental	40,943	20,471	253,025
Other Prepaid Rentals	88,897	64,619	40,342
Other Prepayments and Current Assets	722	(6,545)	4,189
Prepayments and Other Current Assets	**168,430**	**324,690**	**524,766**
Total Current Assets	**6,027,827**	**6,723,031**	**5,475,356**
Operating Lease Assets	**113,959**	**103,187**	**413,955**
Total Working Capital Assets	**6,141,786**	**6,826,218**	**5,889,311**
Capital Accruals	1,601,142	1,993,257	1,547,351
Accrued Liabilities - Operating Costs Accruals			
Expense Projects	131,873	200,880	159,913
Utilities	84,611	120,555	112,401
Other Operating Costs	162,930	111,790	120,930
Accrued Liabilities - G&A Accruals	-	204,518	200,000
Vouchers Payable	227,476	119,672	267,471
Other AP/Accrued Liabilities	59,906	60,024	58,734
AP/Accrued Liabilities	**2,267,939**	**2,810,696**	**2,466,801**
ST Operating Lease Liability	103,158	92,386	391,085
Accrued Taxes			
Property Taxes	887,064	1,176,184	1,465,303
Sales/Use Tax	5	3,595	4,004
Other Current Liabilities	364	364	364
Other Current Liabilities	**990,590**	**1,272,528**	**1,860,756**
Total Working Capital Liabilities	**3,258,528**	**4,083,224**	**4,327,557**

Notes:
- Reflects estimated assets or liabilities of the Terminal as of the date indicated
- Does not reflect amounts below Plains thresholds for accruals and prepayments

Zenith Energy U.S., L.P.

Consolidated Financial Statements

As of and for the year ended December 31, 2018

Zenith Energy U.S., L.P.

Table of Contents

KPMG LLP
811 Main Street
Houston, TX 77002

Independent Auditors' Report

The Board of Directors
Zenith Energy U.S., L.P.:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Zenith Energy U.S., L.P. and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2018, and the related consolidated statements of operations and other comprehensive income, changes in partners' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Zenith Energy U.S., L.P. and its subsidiaries as of December 31, 2018, and the results of their operations and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Houston, Texas
March 29, 2019

Zenith Energy U.S., L.P.
Consolidated Balance Sheet
As of December 31, 2018

(In thousands)

Assets		
Current assets		
Cash and cash equivalents	$	6,938
Accounts receivable		10,687
Inventories		384
Other current assets		3,200
Total current assets		**21,209**
Property and equipment, net		441,037
Investment in unconsolidated affiliates		138,244
Intangible assets, net		104,498
Goodwill, net		127,953
Other long-term assets		8,728
Due from related party		2,300
Total assets	**$**	**843,969**
Liabilities and Partners' Equity		
Current liabilities		
Accounts payable	$	2,295
Accrued expenses		15,227
Current portion of long-term debt		5,000
Other current liabilities		1,570
Total current liabilities		**24,092**
Other liabilities		
Long-term debt, net		281,404
Other long-term liabilities		887
Earn-out liability		11,449
Total liabilities		**317,832**
Partners' capital		
Partners equity		442,098
Noncontrolling interests		80,675
Accumulated other comprehensive income		3,364
Total partners' equity		**526,137**
Total liabilities and partners' equity	**$**	**843,969**

The accompanying notes are an integral part of these consolidated financial statements.

Zenith Energy U.S., L.P.
Consolidated Statement of Operations and Other Comprehensive Income
For the year ended December 31, 2018

(In thousands)		
Revenues		
Revenues	$	90,749
Total revenue		**90,749**
Cost of Sales		
Cost of Sales		2,197
Total Cost of Sales		**2,197**
Expenses		
Operating expenses		39,060
Selling, general and administrative		15,977
Depreciation		18,207
Amortization		22,394
Total expenses		**95,638**
Operating loss		**(7,086)**
Other income (expense)		
Equity earnings from unconsolidated affiliates		14,855
Change in value of earn-out liability		3,818
Other income (expense)		1,695
Interest expense and financing charges, net		(40,103)
Total other income (expense) net		**(19,735)**
Income before income taxes		**(26,821)**
Income taxes expense		60
Net income		**(26,881)**
Net income attributable to noncontrolling interests		2,746
Net income attributable to partners' capital		**(29,627)**
Other comprehensive income		3,241
Comprehensive income attributable to partners' capital	**$**	**(26,386)**

The accompanying notes are an integral part of these consolidated financial statements.

Zenith Energy U.S., LP
Consolidated Statement of Cash Flows
For the year ended December 31,2018

(In thousands)		
Operating activities		
Net loss	$	(26,881)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation		18,207
Amortization		22,394
Noncash interest expense and other		9,573
Gain on sale of Pawnee		(1,683)
Change in value of earn-out liability		(3,818)
Equity earnings from unconsolidated affiliate, net of distributions		(5,050)
Changes in operating assets and liabilities:		
Accounts receivable		1,927
Inventories and other current assets		(19)
Accounts payable		(8,251)
Accrued expenses		2,464
Due to/from affiliates		(4,077)
Other liabilities		(2,855)
Net cash used in operating activities	**$**	**1,931**
Investing activities		
Capital expenditures	$	(40,532)
Purchase of Portland Terminal		(55,595)
Contribution to Gulf LNG		(24)
Proceeds from the sale of Pawnee		30,480
Proceeds from the sale of Brooklyn Terminal		59,834
Net cash used in investing activities	**$**	**(5,837)**
Financing activities		
Borrowings from credit facilities	$	53,000
Repayments of debt		(154,700)
Contributions from Partners		101,260
Contributions from non-controlling interest holders		2,772
Acquisition of non-controlling interest		(446)
Payments of earn-out liabilities		(3,158)
Debt issuance costs		(4,880)
Net cash used in financing activities	**$**	**(6,152)**
Net decrease in cash and cash equivalents	**$**	**(10,058)**
Cash and cash equivalents		
Beginning of period		16,996
End of period	**$**	**6,938**
Supplemental disclosure of cash flow information		
Cash paid for interest	$	28,970
Non-cash investing and financing activities	$	2,346

The accompanying notes are an integral part of these consolidated financial statements.

Zenith Energy U.S., L.P.
Consolidated Statement of Changes in Partners' Equity
For the year ended December 31, 2018

(In thousands)	General Partner	Limited Partner	Non-controlling Interest	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2017	**—**	$ 370,465	$ 75,603	$ 123	$ 446,191
Net income (loss)	—	(29,627)	2,746	—	(26,881)
Other Comprehensive Income	—	—	—	3,241	3,241
Contributions from Partners	—	101,260	2,772	—	104,032
Acquisition of non-controlling interest	—	—	(446)	—	(446)
Balance at December 31, 2018	**$ —**	**$ 442,098**	**$ 80,675**	**$ 3,364**	**$ 526,137**

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Business and Organization

Zenith Energy U.S., L.P ("ZE US LP", "Partnership", "we", "our", or "us") is a Delaware limited partnership formed May 23, 2017 to acquire and operate energy logistics assets in the U.S., Mexico and Canada, with the primary objective of becoming a leading midstream energy company in the region.

The financial statements are presented in US dollars and all values are rounded to the nearest thousand ($000), except where otherwise indicated.

The primary investors in ZE US LP are Warburg Pincus LLC ("Warburg Pincus") and Kelso and Company ("Kelso"). Warburg Pincus, Kelso, along with other investors have committed to fund equity investments of up to $625 million to ZE US LP.

Limited partners' liabilities are limited to the amount of capital contributed. See Note 8—Partners' Equity.

During 2017, ZE US LP formed numerous wholly owned subsidiaries to execute a Merger ("Merger") and Acquisition Transaction ("Merger and Acquisition Transaction") of Arc Logistics Partners LP ("Arc Logistics Partners", "Arc Logistics", or "Arc Partnership"). Subsequent to the merger, Arc Logistics Partners was renamed Zenith Energy Logistics Partners LP ("ZE Logistics Partners").

Zenith Energy US LP is the sole member of Zenith Energy US Holdings, LLC ("ZE US Holdings"), a Delaware limited liability company, and in turn, ZE US Holdings is the sole member of ZE US Logistics Holdings LLC ("ZE US Logistics Holdings", "Holdings", "Company") the deemed acquirer of Arc Logistics. Pursuant to the Merger and Acquisition Transaction, Holdings became the sole limited partner in ZE Logistics Partners, a Delaware limited partnership with wholly-owned subsidiaries, a controlling interest in a partially-owned subsidiary and an unconsolidated investment in an equity investee.

At December 31, 2018, the Partnership, through its subsidiary, owns a 63.882% controlling financial interest in Zenith Energy Terminals Joliet Holdings LLC ("Joliet"). Joliet is the sole member of Joliet Bulk, Barge and Rail LLC ("JBBR"). Since the Partnership is deemed to have a controlling financial interest in Joliet, Joliet is a consolidated entity in the financial statements accompanying this report.

Additionally, the Partnership owns a 15.838% interest in Gulf LNG Holdings Group, LLC and its subsidiaries ("Gulf LNG"). The investment is accounted using the equity method of accounting by the Partnership.

On April 2, 2018, the Partnership sold a 51% interest in Zenith Energy Terminals Colorado Holdings, LLC, which was subsequently renamed Pawnee Terminal, LLC ("Pawnee"). Subsequent to this transaction, the Partnership's remaining 49% interest in Pawnee is accounted for using the equity method. See Note 3—Acquisitions and Divestitures and Note 6—Investments in Unconsolidated Affiliates.

ZE US LP is principally a fee-based, growth-oriented business engaged in the terminating, storage, throughput and transloading of crude oil and petroleum products and is focused on growing its business through the optimization, organic development and acquisition of terminating, storage, rail, pipeline and other energy logistics assets that generate stable cash flows. The Partnership's energy logistics assets are strategically located in the East Coast, Gulf Coast, Midwest, Rocky Mountains and West Coast regions of the United States and supply a diverse group of third-party customers, including major oil companies, independent refiners, crude oil and petroleum product marketers, distributors and various industrial manufacturers. Depending upon the location, our facilities possess pipeline, rail, marine and truck loading and unloading capabilities allowing customers to receive and deliver product throughout North America. Our asset platform allows customers to meet the specialized

handling requirements that may be required for particular products. Our combination of diverse geographic locations and logistics platforms gives us the flexibility to meet the evolving demands of existing customers and address those of prospective customers.

Principals of Consolidation
The financial statements include the operations of ZE US LP, and its wholly- and partially-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States (GAAP) and all values are rounded to the nearest thousand ($000), except where otherwise indicated. The principal accounting policies applied in the presentation of these consolidated financial statements are set forth below. These policies have been consistently applied during the period presented.

Use of Estimates
The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues, if any, and expenses during the reporting period. The most significant estimates relate to the valuation of assets and liabilities acquired in the business combination, including valuation of contingent consideration, goodwill and intangible assets, assessment for impairment of long-lived assets and the useful lives of intangible assets and property, plant and equipment. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents include demand deposits and all highly liquid cash investments with original maturities of three months or less when purchased. The carrying value of cash equivalents approximates fair value due to the short-term nature of these investments.

Allowance for Doubtful Accounts
We use the specific identification method to determine the reserve for doubtful accounts. There were no uncollectible amounts as of December 31, 2018.

Inventories
Inventories consist of additives which are sold to customers and mixed with the various customer-owned liquid products stored in the Partnership's terminals. Inventories are stated at the lower of cost or estimated net realizable value. Inventory costs are determined using the first-in, first-out method.

Other Current Assets
Other current assets consist primarily of prepaid expenses and deposits.

Property and Equipment, Net
Property, plant and equipment is recorded at cost, net of accumulated depreciation. The Partnership owns a 50% undivided interest in the property, plant and equipment at two of its terminal locations. Expenditures for routine maintenance and repairs are charged to expense as incurred. Major improvements or expenditures that extend the useful life or productive capacity of assets are capitalized. Depreciation is recorded over the estimated useful lives of the applicable assets, using the straight-line method. The estimated useful lives are as follows:

Building and site improvements	1 to 40 years
Tanks and trim	10 to 40 years
Pipelines	40 to 45 years
Machinery and equipment	1 to 40 years
Office furniture and equipment	1 to 15 years

We limit capitalization of interest to projects expected to exceed $10 million with a duration of one year or more. When we capitalize interest costs as a part of the historical cost of constructing certain assets, we include such interest in the property, plant and equipment line on the balance sheet. We did not record any capitalized interest in 2018.

Capital projects that are not completed as of year-end are recorded as construction in progress. Construction in progress is not depreciated until the related assets or improvements are ready for their intended use.

We record property under capital leases at the lower of the present value of minimum lease payments using our incremental borrowing rate or the fair value of the leased property at the date of lease inception. We depreciate leasehold improvements and property acquired under capital leases over the shorter of the lease term or the economic life of the asset.

Intangible Assets
Intangible assets at December 31, 2018 consisted of customer relationships acquired in the Merger. All the fair value assigned to customer relationships is amortized on a straight-line basis over 15 years, as this period reflects the estimated economic benefit of this asset. No material residual value is assumed following the period of amortization.

Impairment of Long-Lived Assets
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. Assets to be disposed of are separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell and are no longer depreciated. No impairment charges were recorded during the year ended December 31, 2018.

Goodwill
Goodwill represents the excess of consideration paid over the fair value of net assets acquired in a business combination. The Partnership has adopted the private company exception permitted by ASU 2014-02, *Accounting for Goodwill*. Under this guidance, goodwill is amortized on a straight-line basis over a period of 10 years and is assessed for impairment when a triggering event has occurred which suggests that goodwill may be impaired. If a triggering event occurs, goodwill impairment is determined by comparing the fair value of a reporting unit with its carrying amount, including goodwill. No impairments were recorded against goodwill for the year ended December 31, 2018.

Accounts Payable and Accrued Expenses
Accounts Payable consists of obligations to vendors for services and materials received. Accrued liabilities are recorded for estimated amounts of work or materials that have been received but not yet invoiced.

Deferred Financing Costs
Deferred financing costs represent costs incurred in connection with the Partnership's term loan and revolving credit facility. Deferred financing costs associated with the term loan are carried as an offset (contra-liability) to the long-term portion of the term loan. The deferred financing costs associated with the revolver are carried in other long-term assets. All deferred financing costs are amortized over the term of the related debt using straight-line amortization, which approximates the effective interest rate method.

Contingent Consideration
The Company records an estimate of the fair value of contingent consideration, related to the earn-out obligations to CenterPoint as a part of the Partnership's pre-Merger Joliet terminal acquisition, within "Other Liabilities" and "Other noncurrent liabilities" in the accompanying consolidated balance sheet at December 31, 2018. At the end of each reporting period, we revalue the liability and record increases or decreases in the fair value of the recorded liability as an adjustment to earnings. Changes to the contingent consideration liability can result from adjustments to the discount rate, or the estimated amount and timing of the future throughput activity at the Joliet Terminal. The assumptions used to estimate fair value require judgment. The use of different assumptions and judgments could result in a different estimate of fair value. The key inputs in determining fair value of our contingent consideration obligation of $12 million at December 31, 2018, include a discount rate of 5.9% and changes in the assumed amount and timing of the future throughput activity which affects the amount and timing of payments on the earn-out obligation.

Contingencies
In the normal course of business, the Partnership may be subject to loss contingencies, such as legal proceedings and claims arising out of its business that cover a wide range of matters. A loss contingency is recognized when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Partnership's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed. If the estimate of a probable loss is a range and no amount within the range is more likely, the Partnership will accrue the minimum amount of the range.

Revenue Recognition
Revenues from leased tank storage and delivery services are recognized as the services are performed, evidence of a contractual arrangement exists, and collectibility is reasonably assured. Revenues also include the sale of excess products and additives which are mixed with customer-owned liquid products. Revenues for the sale of excess products and additives are recognized when title and risk of loss pass to the customer.

Income Taxes
Taxable income or loss of the Partnership is generally required to be reported on the income tax returns of the limited partner(s) in accordance with the terms of the partnership agreement. Accordingly, no provision has been made in the accompanying consolidated financial statements for federal income taxes. There are certain entity level state income taxes that are incurred at the ZE Logistics Partners subsidiary and have been included in income tax expense for the year ended December 31, 2018.

The Partnership is required under GAAP to evaluate uncertain tax positions taken by the Partnership. The financial statement effects of a tax position are recognized when the position is more likely than not, based on technical merits, to be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Partnership and has concluded that there are no uncertain tax positions taken as of December 31, 2018. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Noncontrolling Interests

In accordance with ASC 810 *Consolidations*, our noncontrolling ownership interests in consolidated subsidiaries are presented in the consolidated balance sheet within capital as a separate component from partners' capital. In addition, consolidated net income includes earnings attributable to both the partners and the noncontrolling interests. During the year ended December 31, 2018, no distributions were made to noncontrolling interest holders of consolidated subsidiaries.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a specified measurement date. Fair value measurements are derived using inputs and assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. GAAP establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This three-tier hierarchy classifies fair value amounts recognized or disclosed in the consolidated financial statements based on the observability of inputs used to estimate such fair values. The classification within the hierarchy of a financial asset or liability is determined based on the lowest level input that is significant to the fair value measurement. The hierarchy considers fair value amounts based on observable inputs (Level 1 and 2) to be more reliable and predictable than those based primarily on unobservable inputs (Level 3). At each balance sheet reporting date, the Partnership categorizes its financial assets and liabilities using this hierarchy.

The amounts reported in the balance sheet for cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value because of the short-term maturities of these instruments (Level 1). Because the Partnership's debt (as defined in Note 7—Long-term Debt) has a market rate of interest, its carrying amount approximated fair value (Level 2).

In connection with Joliet's acquisition of JBBR in 2015, the Company has an earn-out obligation. The Company's earn-out obligation to CenterPoint will terminate upon aggregate payments of $27 million. The short-term portion of the earn-out obligation represents management's best estimate of the amounts to be paid in the twelve-months subsequent to the balance sheet date and is included in Other current liabilities on the consolidated balance sheet. The remaining balance of the earn-out obligation is included within Earn-out liability in the accompanying balance sheet at December 31, 2018. The estimated value of the of the earn-out obligation is considered a Level 3 measurement.

The Partnership believes that its valuation methods are appropriate and consistent with the values that would be determined by other market participants. However, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

New Accounting Pronouncements

Accounting Principles Adopted

ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*, requires an entity to explain the changes in the total of cash, cash equivalents, restricted cash, and restricted cash equivalents on the statement of cash flows and to provide a reconciliation of the totals in that statement to the related captions in the balance sheet when the cash, cash equivalents, restricted cash, and restricted cash equivalents are presented in more than one line item on the balance sheet. The Partnership

adopted this ASU using a retrospective approach on January 1, 2018. Adoption of this standard did not have a material impact on the Partnership's consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The new guidance which assists in determining when a set of transferred assets and activities (collectively, the "set") is a business and provides a screen to determine when a set is not a business. Under the new guidance, when substantially all of the fair value of gross assets acquired (or disposed of) is concentrated in a single identifiable asset, or group of similar assets, the assets acquired would not represent a business. Also, to be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to produce outputs. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, and should be applied on a prospective basis to any transactions occurring within the period of adoption. The adoption of this standard had no impact on the Partnership's consolidated financial statements for the year ended December 31, 2018.

Accounting Standards Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) on the reporting and disclosure of revenue recognition which requires that an entity recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This update also requires new qualitative and quantitative disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, information about contract balances and performance obligations, and assets recognized from costs incurred to obtain or fulfill a contract. In April 2015, the FASB proposed a one-year deferral of the effective date, and therefore, this guidance will be effective for the Partnership beginning January 1, 2019, with early adoption optional but not before the original effective date of December 15, 2016. Adoption is permitted under the ASU using either a full or modified retrospective application approach. In May and December 2016, the FASB issued certain narrow-scope improvements and practical expedients to the guidance. The Partnership will implement the provisions of Topic 606 as of January 1, 2019 and anticipates adopting the standard using the modified restrospective application method. The Partnership does not expect this guidance to have a material impact on its financial condition, results of operations and cash flows and is currently determining the impact to its disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The FASB issued this Update to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The core principle of Topic 842 is that a lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Under previous GAAP, lessees did not recognize lease assets and lease liabilities for those leases classified as operating leases. The ASU is effective for fiscal years beginning after December 15, 2019. Early adoption of this amendment is permitted. The Partnership is in the process of evaluating the impact of this accounting standard on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other* (Topic 350), new guidance which eliminates the requirement to determine the fair value of individual assets and liabilities of a reporting unit to measure goodwill impairment. Under the amendment, goodwill impairment testing will be performed by comparing the fair value of the reporting unit with its carrying amount and recognizing an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The new standard is effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2019, and should be applied on a prospective basis. Early adoption is permitted for annual or interim goodwill impairment testing performed after January 1,

2017. The Partnership has elected to adopt the private company alternative permitted in FASB ASU 2014-02, *Intangibles-Goodwill and Other* (Topic 350), and will amortize goodwill over 10 years and test for impairment when a triggering event occurs that indicates that the fair value of an entity or reporting unit may be below its carrying value.

No other recently issued pronouncements are expected to have a material impact on the Partnerships consolidated cash flows, results of operations or financial position.

3. Acquisitions and Divestitures

Acquisitions

On January 21, 2014, the Partnership entered into a lease agreement with LCP Oregon Holdings, LLC ("LCP Oregon") for the Portland Terminal (the "Portland Lease"). The Portland Lease contained a lessee buy-out option exercisable at the end of the thirty-six month period beginning the first day of the month following the month of the effective date, or at the end of any month thereafter within 90 days' written notice. The Portland Lease also provided that the lessee could terminate the lease agreement on the fifth anniversary of the first day of the month following the effective date with at least twelve months notice. If such a termination option were exercised, the lessee would owe a termination payment of $3.8 million. This termination payment was being accrued over the life of the Portland Lease. On December 21, 2018, the Partnership exercised the buy-out option and purchased the Portland terminal for $55.6 million in cash plus a promissory note payable of $5.0 million due on January 7, 2019. Upon exercising the buy-out option, the Company released the deferred rent accrual of $4.0 million, which is reflected as a reduction of operating expenses on the consolidated statement of income.

In connection with the exercise of the Portland Lease buy-out option, the Company also purchased LCP Oregon's interest in Joliet for $446 thousand.

Dispositions

On January 2, 2018, Zenith Energy Terminals Holdings, LLC, a wholly-owned subsidiary of ZE US LP, entered into a Membership Interest Purchase Agreement with Tallgrass Terminals, LLC ("Tallgrass") whereby Tallgrass agreed to purchase 51% of the outstanding membership interests of Pawnee for proceeds of $30.6 million. The transaction closed on April 2, 2018 and the Partnership recognized a gain of $1.7 million on sale, which is included in Other income (expense) on the consolidated statement of operations. Subsequent to the sale, the Partnership began accounting for its remaining 49% interest in Pawnee using the equity method of accounting. See Note 6—Investments in Unconsolidated Affiliates.

On September 28, 2018, Zenith Energy Terminal New York Holdings, LLC ("ZETNYH"), a wholly-owned subsidiary of ZE US LP, entered into an Agreement of Purchase and Sale with 25 Paige LLC ("Paige") for all the land, buildings, equipment and production facilities related to bulk storage of petrochemicals located at its Brooklyn terminal for proceeds of $62.0 million. Simultaneously, ZETNYH and Paige entered into a Ground Lease for ZETNYH to lease the Brooklyn terminal back from Paige for a period of 25 years. Annual rental payments are $3.0 million, escalating at the greater of 2% or the annual Consumer Price Index, with supplemental rent payments due in years ten and twenty of the lease. We accounted for these transactions as a sale/leaseback. The lease of the land is considered an operating lease and the lease of the terminal and ancillary buildings is considered a capital lease. In connection with the sale/leaseback transaction, the Partnership recognized a loss of $7.2 million and recorded a capital lease obligation of $1.1 million. The loss on the transaction is being amortized over the 25-year lease term.

4. Property and Equipment, Net

Property and equipment at December 31, 2018 consisted of the following:

(In thousands)		
Land	$	86,732
Building and site improvements		269,814
Tanks and trim		69,166
Pipelines		5,541
Machinery and equipment		25,736
Total property, plant, and equipment		456,989
Less: Accumulated depreciation		(15,952)
Property, plant and equipment, net	**$**	**441,037**

5. Goodwill and Intangible Assets

The goodwill balance as of December 31, 2017 has been adjusted to reflect a correction in the Partnership's purchase price allocation related to the Merger and Acquisition Transaction. The adjustment resulted in a decrease of Goodwill of $28.5 million, an increase in land of $42.8 million and a decrease in other Property, Plant and Equipment of $14.2 million at the Brooklyn terminal compared to the previously reported amounts. As discussed in Note 3—Acquisitions and Divestitures, the Brooklyn terminal was sold during 2018. The following table provides a reconciliation of the changes in Goodwill for the year ended December 31, 2018:

(In thousands)		
Balance at December 31, 2017	$	162,049
Disposals		(19,338)
Amortization		(14,758)
Balance at December 31, 2018	**$**	**127,953**

Annual amortization related to Goodwill is expected to total $14.3 million for each of the next five years and then $56.5 million thereafter.

The following table provides information about the Partnership's Intangible Assets other than Goodwill as of December 31, 2018:

(In thousands)	**Estimated Useful Lives in Years**	**Customer Relationships**	
Balance at December 31, 2017	15	$	122,780
Disposals			(10,646)
Accumulated amortization			(7,636)
Intangible assets, net		**$**	**104,498**

Annual amortization expense related to intangible assets is expected to total $7.6 million for each of the next five years, and then a total of $66.5 million thereafter.

6. Investments in Unconsolidated Affiliates

The Partnership applies the equity method of accounting for investments in which the Partnership does not have a controlling interest unless the Partnership's interest is deemed to be so minor that it may have virtually no influence over operating and financial policies. As discussed in Note 3—Acquisitions and Divestitures, the Partnership sold a 51% interest in Pawnee on April 2, 2018. Subsequent to the sale, the Partnership began accounting for its 49% investment in Pawnee using the equity method. The Partnership's 15.838% interest Gulf LNG was accounted for using the equity method for the full year.

Changes in the Partnership's equity investments during the year were as follows:

(In thousands)		
Balance at December 31, 2017	$	102,137
Reclassification of remaining interest in Pawnee		27,792
Contributions		24
Equity earnings		71,171
Other comprehensive income of investees		3,241
Amortization of basis difference		(3,080)
Distributions		(9,806)
Impairment of investment in Gulf LNG		(53,235)
Balance at December 31, 2018	**$**	**138,244**

Summarized financial information for Pawnee as of and for the nine months ended December 31, 2018 is reported below:

(in thousands)		
Balance sheet		
Current assets	$	2,801
Noncurrent assets		58,210
Total assets	**$**	**61,011**
Current liabilities	$	548
Members' equity		60,463
Total liabilities and members' equity	**$**	**61,011**
Income statement		
Revenues	$	10,813
Total operating costs and expenses		2,583
Operating income		8,230
Net income	**$**	**8,230**

Summarized financial information for Gulf LNG Holdings as of and for the year ended December 31, 2018 is reported below:

(In thousands)		
Balance sheet		
Current assets	$	383,372
Noncurrent assets		788,415
Total assets	**$**	**1,171,787**
Current liabilities	$	74,399
Long-term liabilities		504,053
Members' equity		593,335
Total liabilities and members' equity	**$**	**1,171,787**
Income statement		
Revenues	$	513,885
Total operating costs and expenses		59,208
Operating income		454,677
Net income	**$**	**423,902**

Equity earnings related to this investment as of December 31, 2018 were $10.8 million, and include an impairment of $53.2 million. As a result of Eni Arbitration disclosed in Note 10—Commitments and Contingencies, the Partnership determined that its investment in Gulf LNG was other than temporarily impaired. In estimating the fair value of its investment in Gulf LNG, the Partnership considered the result of the arbitration process and risks associated with Gulf LNG's remaining contractual arrangements. This is considered a Level 3 fair value measurement.

Due to continued litigation and contractual disputes, the remaining investment balance could be subject to additional impairments depending on the outcome of those disputes.

Please see Note 10—Commitments and Contingencies for additional discussion regarding Gulf LNG.

7. Long-term Debt

Credit Facility

On December 21, 2017, the Partnership through its wholly owned subsidiary, ZE US Logistics Holdings, LLC, entered into a senior secured credit agreement (the "Credit Facility") with a group of lenders to fund the Merger and Acquisition Transaction as well as general corporate purposes. The Credit Facility provides for a term loan with a maturity date of December 21, 2024 and a revolving credit facility with a maturity date of December 21, 2022. On the Effective Date of the Merger and Acquisition Transaction, the Partnership borrowed $389 million under the term-loan facility, subject to an original issue discount of 1% and a funding fee of 0.75%. The revolving credit facility allows for a $15 million letter of credit sub-limit.

An additional delayed draw term loan of up to $60.8 million was also available under the Credit Facility to provide $20.8 million of funding for the conditional purchase of an additional interest in Gulf LNG and $40 million for the planned Portland lease buyout. The purchase of the additional interest in Gulf LNG was conditioned upon a specified result in the arbitration proceedings, which did not occur; therefore, $20.8 million of the delayed draw term loan is no longer available. The Partnership drew the remaining $40 million of the delayed draw term loan on December 15, 2018 in connection with the buyout of the Portland lease. See Note 3—Acquisitions and Divestitures.

In general, any incremental borrowings are restricted to the maximum aggregate principal amount that can be incurred without causing the senior secured first lien net leverage ratio to exceed 5.25 to 1.00.

The term loan requires quarterly payments commencing on June 30, 2018 of 0.25%, or $973 thousand, based on the initial drawn term loan balance. Prepayments may be made on the term loan without penalty. In addition, beginning with the full year ended December 31, 2018, and annually thereafter, if the senior secured leverage ratio, as defined in the Credit Facility, exceeds 3.50:1.00, additional principal will be due on the term loan on a sliding scale percentage ranging from 25% to 75% of annual cash flow to the extent it is in excess of $5 million.

Loans under the Credit Facility bear interest at a floating rate based upon the Company's senior secured leverage ratio, equal to, at the Company's option, either (a) an alternative base rate ("Alternative Base Rate") plus a rate margin ranging from 425 to 450 basis points per annum or (b) a LIBO rate plus a rate margin ranging from 525 to 550 basis points. The alternative base rate is established as the highest of (i) the rate which Alternate Base Rate means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1.00% and (c) the Adjusted LIBO Rate for the applicable Loan on such day. The combined interest rate applicable to the outstanding balances under the term loan and revolver at December 31, 2018 was 8.0% and such interest is due and payable upon maturity of the one-month LIBO rate elected. The unused portion of the Credit Facility is subject to a 0.50% quarterly commitment fee if the Company's senior secured leverage ratio is greater than 5.25:1.00 or a .375% quarterly commitment fee if the Company's senior secured leverage ratio is less than or equal to 4.25:1.00. In addition, the Credit Facility's administrative bank charges an annual fee of $75 thousand, payable quarterly.

Deferred financing costs totaling $1.6 million for the revolving credit facility, and $15.7 million for the term loan, were recorded in connection with the establishment of the Credit Facility. The deferred financing costs related to the revolving credit facility are reported in current and long-term other assets, whereas the deferred financing costs associated with the term loan are reported as current and long-term contra-liabilities against the debt in accordance with US GAAP. The Company will amortize these costs on a straight-line basis over the five-year and seven-year terms of the revolver and term loan, respectively, since the result is not materially different from applying the effective interest method. At December 31, 2018 the remaining unamortized deferred financing costs were $1.2 million and $12.2 million for the revolver and term loan, respectively.

Under the Credit Facility, the Debt Service Coverage Ratio must not to be lower than to 1.10 on the last day of a calendar quarter, commencing with the quarter ending March 31, 2018.

The Company has a right to cure a default subject to required notice and frequency restrictions. The Credit Facility is collateralized by substantially all assets and equity interests of the Company other than those not wholly owned, such as Joliet and Gulf LNG.

Long-term debt at December 31, 2018 is as follows:

(In thousands)		
Term loan	$	295,492
Revolving credit facility		—
Capital lease liability		1,082
		296,574
Less:		
Current maturities		—
Deferred financing costs		(12,217)
Debt discount		(2,953)
Long-term debt as of December 31, 2018	**$**	**281,404**

During 2018, the Partnership used proceeds from the sale of a partial interest in Pawnee and the sale of the Brooklyn terminal to pre-pay approximately $33.7 million of the term loan. Additionally, pursuant to the terms of the Credit Facility, the Company was required to make a prepayment of $100 million of the term loan as result of the GLNG Facility Arbitration outcome. The Company made this prepayment on December 21, 2018. In connection with this prepayment, the Company expensed $5.9 million of deferred financing costs and debt discount, which is included in interest expense on the consolidated statement of operations.

As a result of prepayments made during 2018, there are no minimum required payments on the Partnership's credit facility for the next five years.

8. Partners' Equity

The ZE US LP Amended and Restated Partnership Agreement dated December 21, 2017 authorized the issuance of up to 62,500,000 Series A Units. Of the initially authorized Series A Units, up to 25,000,000 were further designated as a sub-series named Series A-K Units. The Series A and Series A-K Units have identical designations, preferences, rights, powers, duties and obligations, except for certain economic features. Specifically, the A-K unit holders are required to make a payment of a $13.5 million Front-end Facilitation Fee to holders of Series A Units (of which $7.5 million has been paid to date with the remainder due upon the earlier of June 21, 2019 or reaching certain funding thresholds) and the payment of a promote upon the realization of certain return thresholds upon exit.

The table below outlines capital received to date against those commitments:

(In thousands)		
Total commitments	$	625,385
Funded to date		(479,481)
Remaining commitments	**$**	**145,904**

Incentive Units

The ZE US LP Amended and Restated Partnership Agreement dated December 21, 2017 authorizes the issuance of Series B Units to a related party, Zenith Incentive Partnership ("ZIP") and authorizes the issuance of Zenith Energy US Tracking Units ("Tracking Units") by ZIP. The Tracking Units have beneficial interests corresponding to the Series B-1 Units, Series B-2 Units and Series B-3 Units issued by ZE US LP to ZIP. The board of directors has authorized 1,000,000 of each Series B-1, Series B-2, and Series B-3 Units. In December 2017, the general partner of ZE US LP approved the issuance by ZIP of Tracking Units to employees of ZE US LP.

On January 19, 2018, ZE US LP granted to employees and directors 763,037 US Tracking-1 Units, 696,391 US Tracking-2 Units, and 651,433 US Tracking-3 Units, of which 66%, 65% and 64% were

vested on the grant date, respectively. The Tracking Units are equity for accounting purposes and will be expensed over the vesting term in step with the vesting schedule. The Tracking Units vest 20% immediately upon issuance and 20% on the anniversary date of issuance for each of the following four years. Vesting is accelerated upon the occurrence a qualified public offering or final exit event. Payment of the tracking units will not occur until a liquidation event and only after certain thresholds are met by the holders of the Series A Units. The Tracking Units were issued with a $0 threshold value. The Tracking Units are designed as "profits interests" which are accounted for in a manner similar to a project sharing arrangement in which the amount of compensation expense is measured and recognized at the time of a distribution.

The vesting, or payment, of the Tracking Units contain a performance condition, which has not yet been met and is not considered probable for accounting purposes; therefore, no expense has been recognized for the incentive units. Below is a summary of the tracking units for 2018:

	Series B-1 Units	Series B-2 Units	Series B-3 Units
Non-vested at January 1, 2018	—	—	—
Granted	898,036	831,391	786,433
Vested	(511,062)	(458,821)	(428,891)
Forfeited	(48,615)	(48,615)	(48,615)
Non-vested at December 31, 2018	338,359	323,955	308,927
Total vested at December 31, 2018	511,062	458,821	428,891
Available for issuance	101,964	168,609	213,567

Issuance of A Units

In November 2018, the Partnership issued 75,000 Series A Units to certain employees. The units were immediately vested and the Partnership recognized $750 thousand in compensation expense, which was based on the par value of the units. In connection with the issuance of the A Units, the Partnership issued promissory notes to certain employees for $236 thousand, in the aggregate, for the tax liability associated with the award. The loans bear interest at a rate of 2.7% per annum which is paid-in-kind and added to the outstanding principal amount of the promissory note unless paid in cash at the debtor's option. The promissory notes mature at the earliest of (i) the date the Partnership receives proceeds from the sale of all or substantially all of the assets of the Partnership and distributes such proceeds to the equity owners, (ii) the date on which the equity owners of the Partnership receive proceeds from the sale of all or substantially all of the equity interests of the Partnership, (iii) the date of dissolution and winding-up of the Partnership, or (iv) the date on the debtor ceases to be an employee of, or provides services to, the Partnership or its subsidiaries. At maturity, the outstanding balance of the promissory note will be deducted from the cash payment due to the respective employee.

9. Major Customers

The Partnership has one customer that accounts for 10% or more of its revenues. For the year ended December 31, 2018, the customer accounted for 21% of our revenues and at December 31, 2018, 20% of our accounts receivable balance.

10. Commitments and Contingencies

Operating Leases & Joliet Earn-Out Obligation
The Partnership has leases in place for the use of the Brooklyn Terminal, office space and equipment and certain assets at terminal locations. As of December 31, 2018, total future minimum rental

commitments of the Partnership's operating leases are listed in the table below in addition to the Joliet Contingent Consideration earn-out liability.

	Payments Due by Period						
	Total	**2019**	**2020**	**2021**	**2022**	**2023**	**Thereafter**
Operating lease obligations	$100,427	$ 3,601	$ 3,334	$ 3,377	$ 3,127	$ 2,689	$ 84,299
Earn-out liability	20,933	979	1,035	1,033	1,033	1,033	15,820
	$ 121,360	**$ 4,580**	**$ 4,369**	**$ 4,410**	**$ 4,160**	**$ 3,722**	**$ 100,119**

Joliet Earn-out Liability

Joliet's earn-out liability to CenterPoint will terminate upon aggregate payments of $27 million. Through December 31, 2018, Joliet Holdings has made earn-out payments of $6.1million. The following is a reconciliation of the beginning and ending amounts of the contingent consideration obligation for the year ended December 31, 2018:

(in thousands)		
Balance at December 31, 2017	$	17,100
Payments		(882)
Change in value of earn-out liability		(3,818)
Balance at December 31, 2018	$	12,400

Legal Proceedings

Although we are, from time to time, involved in various legal claims arising out of our operations in the normal course of business, we do not believe that the resolution of these matters, including the matters described below, will have a material adverse impact on our financial condition or results of operations.

Gulf LNG

On March 1, 2016, an affiliate of Gulf LNG Holdings Group, LLC ("GLNG") received a Notice of Disagreement and Disputed Statements and a Notice of Arbitration from Eni USA Gas Marketing L.L.C. ("Eni USA"), one of the two companies that had entered into a terminal use agreement for capacity of the LNG Facility for an initial term that is not scheduled to expire until the year 2031. Eni USA is an indirect subsidiary of Eni S.p.A., a multi-national integrated energy company headquartered in Milan, Italy. Pursuant to its Notice of Arbitration, Eni USA seeks declaratory and monetary relief in respect of its terminal use agreement based on the assertion that (i) the terminal use agreement should be terminated because changes in the U.S. natural gas market since the execution of the agreement in December 2007 have "frustrated the essential purpose" of the agreement and (ii) the activities undertaken by affiliates of GLNG "in connection with a plan to convert the LNG Facility into a liquefaction/export facility have given rise to a contractual right on the part of Eni USA to terminate" the terminal use agreement. As set forth in the terminal use agreement, disputes are meant to be resolved by final and binding arbitration. A three-member arbitration panel conducted an arbitration hearing in January 2017. On June 29, 2018, the arbitration panel delivered its Award, and the panel's ruling calls for the termination of the agreement and Eni USA's payment of compensation to GLNG. The Award resulted in GLNG recording revenues of approximately $362 million in the second quarter of 2018. The Award allows GLNG to accrue interest on that amount until such time it is collected. On September 25, 2018, GLNG filed a lawsuit against Eni USA in the Delaware Court of Chancery to enforce the Award. On February 1, 2019, the Delaware Court of Chancery issued a Final Order and

Judgment confirming the Award. On February 20, 2019, Eni USA paid GLNG approximately $372.5 million, including interest.

Trafigura Claim

One our terminal locations receives refined product deliveries from Colonial Pipeline. In July of 2018 during the receipt of regular gasoline into storage, the infill line operator did not recognize that Colonial had switched to a scheduled delivery of diesel and inadvertently allowed some diesel to enter the regular gasoline storage tank. Diesel-contaminated gasoline was subsequently delivered to Zenith's customer, Trafigura, at the truck rack, which in turn delivered the contaminated gasoline into the retail service station tanks of two of its customers. The sale of diesel-contaminated gasoline by the service stations resulted in damage claims to Trafigura for settlement and reimbursement of car damage claims from their respective retail customers, tank cleaning, trucking, product disposal and certain other costs alleged to have been incurred as a result of the delivery of the diesel-contaminated gasoline. Trafigura in turn, tendered the claims from their customers to Zenith pursuant to the indemnification provisions of the terminaling service agreement between Zenith and Trafigura.

Zenith's out-of-pocket, direct first-party costs, which have been expensed and submitted to the carrier for reimbursement, are approximately $300 thousand. Zenith reasonably expects reimbursement of all of this part of its claim, subject to inconsequential adjustments of less than $1 thousand and a $50 thousand deductible. Third-party damage claims from Trafigura's customers aggregate $2.9 million, making the total claim amount for first-party and third-party damages approximately $3.2 million. These claims have also been submitted to Zenith's insurance carrier. Zenith has accrued $225 thousand for the third-party claims. No reimbursements from the insurance company have been accrued.

On March 29, 2019, Zenith received an advance reimbursement via an interim payment in the amount of $1.5 million, which may be used to reimburse Zenith for its direct costs as well as the settlement of indemnity claims at its discretion, subject to the provision of a release for any such settled claims.

With the claim processing incomplete, the exposure of Zenith to any uninsured losses resulting from this incident is not reasonably probable or estimable. However, claims processed to date by the adjuster, preliminary settlement discussions with Trafigura and the interim payment request by the adjuster for the carrier all support Zenith's reasonable belief that the final insurance recovery will provide sufficient funds for settlement such that Zenith does not believe its final unrecouped loss for this incident will have a material effect.

Center Oil Claim

In July 2018, Zenith experienced a leaking valve incident at one of its terminals, which involved an unexpected mechanical failure at the incoming product manifold. The leaking valve allowed red-dye diesel (a specialty product) to be contaminated with gasoline. Zenith discovered the problem before its customer, Center Oil, placed the contaminated product for distribution to its customers, thus avoiding any pass-through third-party claims from Center's customers. The damages from this incident consist of direct costs that Zenith incurred in an attempt to blend the adulterated red-dye diesel into a salvageable product with residual value, including tank cleaning, testing, trucking and disposal costs, in addition to the lost value of the product as a result of the adulteration.

Zenith promptly reported this claim to its insurance carrier and to date the carrier has processed the matter without any reservation of rights. Zenith has made a submission of its direct costs, which have been expensed in 2018, in the amount of approximately $234 thousand to the adjuster.

With the approval of the adjuster for the carrier, Zenith purchased the adulterated product from Center Oil for $1.7 million, and then sold it for proceeds of $1.2 million, applying the sales proceeds as an offset to the damages, thus reducing the loss claim to be submitted to the carrier to $548 thousand.

The direct costs combined with the product loss amount to an approximate total claim to the carrier of $782 thousand. This amount will be subject to a deductible of $50 thousand under Zenith's insurance policy. The adjuster for the carrier has advised the carrier of his approval of the handling of the

contaminated product sale such that Zenith reasonably anticipates that, subject to the deductible, this claim should be processed for a full recovery by Zenith. There are no unrecouped losses associated with this claim that are reasonably foreseeable at this time that would have a material impact on Zenith. As of December 31, 2018, no insurance recoveries have been accrued.

11. Related Party Transactions

Certain costs are incurred by Zenith Energy Management US, LLC on behalf of Zenith Energy Management, LLC (ZEM), a related party. These costs are reimbursed through a management fee. These costs include costs of management personnel, a portion of overhead costs, travel expenses and direct costs incurred on their behalf. ZEM is the management company for Zenith Energy, LP which has a shared management team and some common investors; however, are separate legal entities with separate boards of directors. At the beginning of the year, ZE US LP had a payable to ZEM of $1.8 million for costs related to establishing ZE US LP and the Merger and Acquisition Transaction. As of December 31, 2018, ZE US LP had a receivable of $2.3 million from ZEM. During the year ended December 31, 2018, ZE US LP paid $1.8million to ZEM and received $2.3 million related to these costs.

12. Subsequent Events

The Company's management believes that the disclosures herein are adequate to make the information presented not misleading. In the preparation of these consolidated financial statements, the Partnership's management evaluated subsequent events through March 29, 2019, the issuance date of the consolidated financial statements.